JPRS-SEA-86-051

21 March 1986

Southeast Asia Report

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SOUTHEAST ASIA REPORT

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AUSTRALIA

EDITORIAL REJECTS CATHOLIC COMMISSION CRITICISM OF ANZUS

Sydney THE AUSTRALIAN in English 5 Feb 86 p 6

[Editorial: "We Cannot Live by Bread Alone"]

[Text]

THERE is a very fundamental issue at stake in the row in the Catholic Church over the Catholic Commission for Justice and Peace (CCJP) social statement/discussion paper Work for a Just Peace.

The commission is accused of putting forward an anti-American, unilateral disarmament view in this paper. It is a document which says Australia should reappraise its entire military relationship with the United States, convert Anzac Day to a peace day and refuse to renew the lease on the North-West Cape facility.

The CCJP's assistant national secretary, Mr Peter Frazer, criticises the ANZUS alliance compared with NATO. There is nothing in the ANZUS treaty itself which states that America would immediately come to Australia's aid in the event of an attack.

He also says: "We have to look at the expense of modern warfare equipment (in the world) just in terms of the resources being allocated to that area ... and you've got people starving in the streets; you've got people dying."

First, ANZUS is different from NATO. The American commitment to Australia is probably the firmest we can get. If we are to behave like New Zealand, we have to consider that we pay so little towards our own defence and it is so inadequate that if we do not have powerful friends we are indeed a disaster waiting to happen in terms of being taken over by an outside power.

Now, on poverty and military spending. Most fair-minded Australians do not think it is sufficient that South Africa's blacks are well fed and healthy. The body may be well cared for in food and medical services, but the mind is full of frustration and sorrow. Why? Because the blacks do not have a vote and a say in choosing their country's leaders and in determining their country's policies.

In a nutshell, they are not free people.

In advocating that we reappraise our entire military relationship with the US, the CCJP seems to be arguing that we throw away the only relationship we have that could help us retain our freedom if we come under threat.

If that is so, then it follows that the CCJP does not seriously expect us to resist a takeover of this country by the forces of the Right or the Left. If this were to happen we could be like the South African blacks, well fed and healthy but without the basic freedoms of a working democracy.

Does the CCJP feel that we should not defend ourselves from being put into the position of, say, Poland, where the Catholic faithful are not even particularly well fed, let alone free? There are also plenty of Catholics around the world who are living under right-wing dictatorships.

There is more to life than simply eliminating poverty. It is quite true that if we did not have to spend money on being prepared to defend our way of life we would be in a better position to end poverty. In other words, is there not an enormous value also to be put on freedom and on defending it? Man cannot live by bread alone.

/9317
CSO: 4200/785

AUSTRALIA

OPPOSITION LEADER'S POLICIES DIVIDE BUSINESS

Sydney THE AUSTRALIAN in English 7 Feb 86 p 7

[Article by Paul Kelly]

[Text]

THIS week the Liberal Party was confronted with the central challenge of its new economic policy – that a free market for wages can only work if the power of the trade unions is broken.

It is because John Howard knows he cannot retreat on his drive for a freer labour market that he must campaign against union power. He will strive to make this the key issue for the next two years and at the 1987 election.

This strategy will deeply divide the business community in Australia. It will alienate much big business support from the Opposition, and it will institutionalise the split in the Liberal Party itself and ensure that Bob Hawke will campaign on his record, the Accord and consensus. But it will provide Mr Howard with a crusading theme which fuses the Liberal approach to reducing union power with generating economic growth.

On the broader plateau of history, the debate over the next two years will be about what social and political model Australia should follow.

The Liberals, influenced by both Ronald Reagan and Margaret Thatcher, will champion the American prototype of weak unions, market-based wage fixing and a flourishing entrepreneurial climate. Labor will point instead to the European Social Democrat tradition of government-union cooperation where in countries like West Germany greater union economic power has bred a greater sense of union responsibility.

The full-scale meeting at Melbourne's Regent Hotel last Monday night between the Opposition front bench and the Business Council of Australia – the first such gathering under Mr Howard's leadership – revealed the depth of worry in business about the Liberal policy and the extent to which business is split over it.

The leaking of this meeting to the financial press was branded by one prominent Liberal as "poisonous" and by another as "treacherous".

Strong criticism of the Liberal approach came from the boss of Ford Australia, Bill Dix, chairman of Wormald International, John Uts, and many others, including CRA's Sir Roderick Carnegie.

The focus of complaints was the Opposition proposal to secure a free system through voluntary labour contracts outside the Arbitration Commission. But the real concern was the incompatibility of an industrial system which combined a free market for wages with substantial institutionalised union power, which was the feared outcome of the Liberal approach.

The most trenchant criticism came from Mr Dix, who pointed out that Australia was fundamentally different to America, which is the inspiration for the Liberal policy. (In fact, in Australia 57 per cent of the workforce is unionised, compared with 19 per cent in America.)

Mr Dix identified the extent of union power in Australia along with the notion of comparative wage justice as factors which would make a free labour market a recipe for great trouble.

But he went one decisive step further. Mr Dix said that history suggested that the industrial system couldn't be changed. That is, he didn't really believe the Liberals could make their policy work.

The fear of Mr Dix and other businessmen at the meeting is that if the Liberals try to implement labour market deregulation, then the result will be far worse for the economy, with greater wage rises when the economy is healthy.

BCA chairman, Westpac's Bob White, told *The Australian* yesterday: "There is a great deal of concern that too sudden a change will cause chaos . . . one member of the council said that when he went back to work tomorrow, he would have to deal with 19 different unions.

"There's no philosophical opposition. But there's a great deal of concern about the way in which wages are fixed. If we don't have the present centralised system, then what's going to take its place. Is it just going to be the law of the jungle?"

Mr White is a public supporter of labour market deregulation, but his worries reflect the concerns now pervading the senior ranks of the business community.

Hitherto, they have been kept fairly quiet. But the account of Monday night's meeting betrays the deeper concern.

It was CRA's managing director, John Ralph, who put his finger on one of the main elements of conflict in the business community. He argued that the union movement had a controlling power over the Australian economy.

(Bearing in mind that the Whitlam and Fraser governments were largely destroyed by the wage explosions of 1974 and 1981, few could doubt this.)

He said the meeting was talking about mining, agriculture and manufacturing but the real point was whether producers sold on the overseas market or the domestic market.

Those trading internationally could not live with the present cost situation at home. For domestic producers sometimes relying upon a protected market the situation was quite different.

In line with this analysis, the farm and mining lobbies are keener on the Howard free market for wages than are the manufacturers. The farm sector wants wage flexibility downwards right now to adjust to the depressed prospects it faces abroad.

The other conflict in business is between enterprises heavily unionised and those where unions are weak. This generally divides into big business versus small business. While many big corporations have several unions on site, small business in Mr Howard's words is the "soft end" of union power and the Liberals are anxious to see small business expand free from the burden of unionisation.

At the very time when much of the BCA is sceptical of his approach Mr Howard should take heart at a major push being organised to bring together a new business lobby group more geared to the aspirations of small and medium business.

A meeting will be chaired by John Leard later this month which contains people from the Australian Chamber of Commerce, Housing Industry Association, National Farmers Federation, Metal Trades Industry Association and Council of Small Business Associations in an effort to give a new coherence to private enterprise sentiment.

One certainty is that any emerging force here will be far more Mr Howard's way on labour market deregulation than is the BCA, which is more a who's who of the establishment.

The acting president of the Australian Chamber of Commerce, Andrew Hay, revealed the tensions in the business community this week when he attacked the BCA for being "more interested in the government gravy train than in the development of a market oriented economic system."

Mr Hay drew a comparison between the tentative attitude of much of the business community towards the 1982 debate under the Fraser Government about deregulation of the financial system and its attitude now toward deregulation of the labour system. He said that on both occasions many senior businessmen felt the idea was philosophically correct but the problems were a bit too difficult.

Mr Howard's dilemma will be to fashion a policy that has wide business backing. No leader likes to lose part of his constituency. But frankly, this will probably prove impossible. The current upheaval within business over the Opposition's wages policy is a function of many factors, including the success, so far, of the Hawke Government.

At Monday's meeting, the Liberals soothed business fears by stressing that deregulation would be advanced with caution. But shadow treasurer Jim Carlton was firm in telling business that in the long run it had no choice but to support the policy and that existing union influence over the economy could be sustained only at the price of economic decline.

Some businessmen remained unimpressed. The boss of Rothmans, Stan Costigan, who moved the vote of thanks, replied along these lines: It's not our job to oppose the Government, it's your job; it's up to you to show the colour of your policies and what we've seen so far we don't like.

The implicit assumption underlying much of the debate was a recognition that under the Accord the unions have accepted through the arbitration system a lower level of wage rises than they could have got by threatening industrial action in the market place.

This is the Labor Government's ace against the Liberal Party: the Accord has delivered a lower wage outcome than would have been obtained by the market. While the Opposition bemoans union power the corporate leaders examine their books and recognise the union restraint. At what price will they lose it?

The Liberals must change the basic conditions in the market place to ensure that their policy is not counter-productive. This means striking down comparative wage justice which allows a wage rise in one sector to flow through to other sectors; and reducing union power, thus weakening the negotiating position of unions in the market.

The view is gaining ground inside the BCA that there are two inseparable issues — how wages are set and how much power unions have — and change must be achieved together. But how?

The businessmen don't know. It is a task for the Liberal Party in its industrial and economic policies now being formulated.

Perhaps the Liberals should look to Mrs Thatcher and the recent OECD report on the British economy. Right now unemployment in Britain is 13.2 per cent compared with 7.8 per cent in Australia.

Yet even at a jobless rate of 13.2 per cent the trade unions in Britain show no sign of moderating their wage demands and real wages continue to rise apace. The OECD identifies the absence of an incomes policy as the flaw in Thatcher economics.

By contrast, incomes policy through the Accord is the centrepiece of the Hawke Government. It has provided overall wage restraint at the cost of wage flexibility from one industry to another. But the great problem for Mr Hawke is that the restraint so far will not be sufficient to meet the emerging international trade problems Australia now faces.

Mr Howard, like Mrs Thatcher, is going to do without an Accord. Rather than work with the unions he will work against them. Politically he has no choice but to adopt this strategy since the Liberals must embrace the free market route.

It is potentially a populist plank. But can it work in practice?

A lot of businessmen believe that it can't and Mr Howard's job in the next few months is to convince them to the contrary.

/9317
CSO: 4200/785

ABORIGINES PLAN AMERICA'S CUP PROTEST OVER LAND RIGHTS

HK061020 Hong Kong AFP in English 1005 GMT 6 Mar 86

[By Ian Pedley]

[Text] Sydney, Australia, 6 March (AFP)--Australian aborigines, seething over a government decision not to go ahead with land rights legislation, threaten to turn the America's Cup yachting spectacular into a major embarrassment for Australian authorities.

"We won't really even need to demonstrate," during the 5 months of races which get under way in October, leading land rights activists Gary Foley said in an interview with AGENCE FRANCE-PRESSE Thursday.

"The international media will see for themselves the millionaires and their yachts, and will compare the glamour and wealth and razamatazz of Fremantle with the incredibly bad health and living conditions of our people."

In 1983, Bob Hawke led the Australian Labor Party to federal government on a platform which included national land rights legislation for aborigines.

His victory came a year after 10,000 aborigines took to the streets in Brisbane during the Commonwealth Games, in protest marches to draw attention to their plight.

The government this week decided not to go ahead with the legislation amid strong opposition from the mining lobby and from the states--notably Western Australia, which feared the power of veto over mining it would give to aboriginal communities.

Mr Foley, director of the Aboriginal Arts Board, vowed that Fremantle--the West Australian venue for the cup races--would see a bigger and more effective protest than at Brisbane during the games.

He said that the country's 160,000 aborigines would use their one real weapon--"that is to substantially embarrass the West Australian and federal governments."

The America's Cup, the symbol of world yachting supremacy, is expected to draw an international press contingent of more than 2,000 during the 5 months of races which get under way next October.

Mr Foley said that what he called the world media's human rights push had succeeded in the Philippines. He added that once the South African problem was settled, the spotlight would turn on to the plight of Australian aborigines.

"If we can create the same media pressure, particularly from the Americans, as against South Africa, the government will be shamed into action."

Conditions for aborigines are "worse than in Bangladesh," Mr Foley said.

"In the Kimberleys (a remote area of Western Australia) the leprosy attack rate 2 years ago was the highest in the world."

Mr Foley, 35, who in 1972 helped establish an aboriginal tent embassy on the lawns of Parliament House as a protest against the government's attitude to aborigines, said he would help coordinate the America's Cup protest.

"While any action would have to be initiated by West Australian aborigines, that will happen because of the discontent there and they will receive extensive support from the other states."

Other aboriginal leaders also are threatening to disrupt Australia's bicentenary celebrations in 1988 over the land rights issue.

/12232
CSO: 4200/778

AUSTRALIA

BRIEFS

HAWKE TO VISIT JAPAN--Sydney, 6 March KYODO--Australian Prime Minister Robert Hawke will visit Japan 15 and 16 May for talks with his Japanese counterpart, Yashuhiro Nakasone, officials here said Thursday. The officials said the two prime ministers will exchange views on bilateral and international developments during the coming talks. Nakasone is expected to brief Hawke on discussions that will take place at the annual summit of the seven major industrialized countries to be held 4-6 May in Tokyo. The visit will be Hawke's first to Japan in 2 years. Nakasone visited Australia in January of last year. The Australian prime minister is also said to be planning to visit China on his way home from Japan. [Text] [Tokyo KYODO in English 0528 GMT 6 Mar 86 OW] /12232

RECORD WHEAT EXPORTS--Australia's wheat exports this year are heading for an all-time record. The Australian Wheat Board is optimistic that shipments will reach 60 million tonnes--2 million tonnes more than the previous record. The board has already exported 10 million tonnes, with 1.7 million tonnes being shipped in January. Among the biggest customers were the Soviet Union, China, and Egypt, which between them have purchased 7 million tonnes. A Wheat Board spokesman said the current harvest, almost completed, was estimated to be worth about Australian $3,000 million--that is about U.S. $2,000 million. [Text] [Melbourne Overseas Service in English 0430 GMT 18 Feb 86 BK] /8918

'SOCIALIST LEFT' DROPS HARTLEY--In Victoria, a meeting of the socialist left faction of the Labor Party's state branch has rejected a move to allow former labor left-winger, Mr Bill Hartley, to remain in the faction. Mr Hartley has been expelled from the ALP [Australian Labor Party] by the National Executive of the party for making statements criticizing ALP leaders and policies. However he plans to appeal against that decision at the next ALP national conference. The motion to allow Mr Hartley to remain in the socialist left faction was defeated after a sometimes heated debate. However, a later motion acknowledging Mr Hartley's right to appeal against his expulsion was supported almost without opposition. [Text] [Melbourne Overseas Service in English 0830 GMT 2 Mar 86 BK] /8918

CABINET WARNED TO CUT EXPENDITURES--The treasurer, Mr Keating, has warned cabinet ministers that government spending must be cut by about $1,400 million in the coming budget and that is more than U.S. $960 million. Mr Keating confirmed a newspaper report that he had circulated a document outlining the need for large budget cut to reduce the deficit. However, the treasurer played down the significance of the contents of the document. He said the spending cut figures are only a preliminary guide. But the leader of the opposition, Mr Howard, said the leaking of the figure to the press showed there was divisions in the government. He said the document was probably leaked by left-wing opponents of Mr Keating. He also said the figures meant the government had primarily admitted that the Australian economy faced a crisis. [Text] [Melbourne Overseas Service in English 0830 GMT 4 Mar 86 BK] /8918

CSO: 4200/772

OUTGOING SWEDISH AMBASSADOR MEETS HOUSE SPEAKER

Jakarta ANTARA NEWS BULLETIN in English 15 Jan 86 pp A6, A7

[Text] Jakarta, 15 Jan (ANTARA)--Swedish Ambassador to Indonesia Arne Lellki visited House Speaker H. Amirmachmud at his office here Wednesday to bid farewell as he is soon leaving this country for good because of the end of his five-year term.

A parliamentary spokesman disclosed further that the outgoing envoy said the relations between Indonesia and Sweden have considerably expanded, and the favourable development was reflected in the Scandinavian country's increasing need for Indonesian raw materials and in Indonesia's textile exports to that country.

Lellki also expressed admiration over President Soeharto's leadership, the development achievements of the country and the democratic system prevailing in Indonesia.

Amirmachmud hoped for the further development of the relations between the two countries in the future.

/9274
CSO: 4200/668

INDONESIA

HOUSE SPEAKER RECEIVES HUNGARIAN AMBASSADOR

Jakarta ANTARA NEWS BULLETIN in English 16 Jan 86 p A6

[Text] Jakarta, 16 Jan (ANTARA)--Hungarian ambassador to Indonesia Gyula Baranyi called on House Speaker Amirmachmud at the Parliament Building here Thursday to introduce himself.

During the meeting Amirmachmud and Baranyi agreed to the need for decreasing world tension through each country refraining from involvement in other countries' internal affairs.

Both viewed that relations between Indonesia and Hungary, particularly in the field of economic and trade, has undergone improvement lately marked by the visit of President Soeharto to Hungary last year.

Indonesia assumed diplomatic relations with Hungary in 1950. The relations between the two countries was quite bad when the abortive communist coup G-30-S broke out in Indonesia in 1965. It recovered in 1970.

House Speaker Amirmachmud on the occasion explained to his guest the democratic system used by Indonesia. Ambassador Baranyi also told the host about the democratic system in his country.

/9274
CSO: 4200/669

GOLKAR OFFICIAL REITERATES GENERAL ELECTION TARGET

Jakarta ANTARA NEWS BULLETIN in English 17 Jan 86 p A7

[Text] Jakarta, 16 Jan (ANTARA)--The Functional Group (Golkar) expects to win 70 percent of the votes in the 1987 general elections, a Golkar key official said when addressing the participants of a Panca Marga Youth cadre training here Thursday.

Yakub Tobing, in charge of cadre development of Golkar, further stated that the Group has started with preparations to win public support in the forthcoming polls.

In the 1971 elections, Golkar won 62.8 percent of the votes, 62.1 percent in the 1977 polls and 64.1 percent in the 1982 elections, he said.

The key to the success of Golkar in the three general elections, according to him, was its success in the national development and the close cooperation between Golkar, the Armed Forces and Korpri (civil servants).

To explain the nation the development successes, Golkar cadres were needed, as those being currently prepared, he said.

The 380 day training was followed by 200 youths coming from the different parts of Indonesia. They have at their disposal 120 mobile information units.

/9274
CSO: 4200/669

LEGAL AID INSTITUTE DENIES ANTI-GOVERNMENT ALLEGATION

Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 p A7

[Text] Jakarta, 20 Feb (ANTARA)--The chairman of the Indonesian Legal Aid Foundation (LBH), T. Mulya Lubis, has complained that legal aid bodies in the country have often been accused of being leftist, radical and anti-government.

In a hearing with House Commission III presided over by Vice-Chairman Sulaksono here Wednesday Mulya Lubis stated that the accusation is ill-founded, untrue and inaccurate.

The legal aid bodies protested against the government not because they are anti-government but solely in defence of the case, and when providing legal advice to those accused of conducting subversive actions, he said.

He added that the LBH's defence in the structural cases such as demolition and pollution had been their initial mission. According to him case-by-case dealings in the court are insufficient because they don't settle the heart of the problem which is rooted in poverty and disguised social injustice.

Mulya Lubis further called on members of Parliament to examine the case concerning land use that involves 2,000 residents of Cimerak, West Java, now undertaken by the LBH.

He said the LBH has urged the people to hand over their land to the government to be turned into the smallholders' nucleus plantation and on the other hand it has also asked the government to give the people adequate compensation. However the people are afraid of meeting the LBH as they might be accused of being anti-government or even being called communists. "This is a painful culture," he stressed.

The legal aid chairman, however, admitted with concern that some new legal aid bodies have sued their institutions for commercial purposes.

He regretted the government had paid Rp 100,000 to lawyers defending the case of the poor saying that they should be given to the LBH which can deal with more cases for the same amount.

With regard to this he appealed to Parliament to ask the government to grant tax freedom to legal aid funds received from businessmen for example and to urge the private sectors to donate to legal aid funds in the country that truly worked for equal distribution of legal service and justice.

Mulya Lubis said that the LBH had since 1971 settled as many as 30,000 cases concerned with crime labour, land-use, and other cases relating to social groups in society.

It has also given education programs to students, journalists, and has been conducting legal guidances for the social groups in the country.

The founder of the LBN, Adnan Buyung Nasution, on the occasion proposed that the law students be required to give legal aid for two to three years for the sake of caderization.

/9274
CSO: 4200/782

INDUSTRIAL SECTOR EXPORT EARNINGS PROJECTED FOR 1986

Jakarta BUSINESS NEWS in English 15 Jan 86 p 5

[Text] Export earnings from the industrial sector is projected to reach US$ 4,637 million in 1986, comprising US$ 3,821 million from the export of commodities grouped in category I (strongly competitive) and US$ 816 million from the export of commodities grouped in category II (still needing improvement in their competitiveness to face hard competition on the world market).

State revenues from exports of industrial products in the first eight months of 1985 stood at US$ 2,553.4 million, far below the projection of US$ 4,038.8 million for 1985. Sluggishness in the industrial sector in 1985 is due to the tight competition in the marketing of commodities, the decreasing demand on the market, existing impediments which hamper the promotion of exports as well as the scale of industrial companies and other internal problems.

The value of production in the industrial sector in 1984 compared with 1984 showed an increase of 13 percent for multifarious manufacturing industries, 13.57 percent for base chemical industries, and 2.10% for machinery and base metal industries.

In domestic trade activities, the period of debt repayment from distributors/retailers to producers has extended to two - three months. The selling price of several kinds of products in 1985 was stable. For certain commodities the debt servicing period reached around six months.

Value added of each industrial group base on the 1983's price level in 1983 and 1984 is as follows :

Industrial Group	1983		1984		Increase (%)
	Value added (billion rupiahs)	Role (%)	Value added (billion rupiahs)	Role (%)	
Multifarious industries.	4,109.2	53.3	4,278.2	54.4	4.1
Base chemical industries.	683.9	9.2	797.4	10.2	15.9
Machinery & base metal industries	1,681.2	22.6	1,789.0	22.7	6.8
Small industries	958.5	129	999.7	12.7	4.3
INDUSTRIES	7,432.8	100.0	7,864.3	100.0	5.8

Source: BPS (Central Bureau of Statistics).

The calculation of value added in the industrial sector for each industrial group and the national industrial growth rate in 1985 is still further examined, and the result is expected to be announced by the end of April 1986.

FIRST STAGE OF IRRIGATION PROJECT IN NORTH SULAWESI COMPLETED

Jakarta ANTARA NEWS BULLETIN in English 15 Jan 86 p A2

[Text] Manado, 15 Jan (ANTARA)--The government through the ministry of public works has completed the first stage of an irrigation system in North Sulawesi, which is projected to be capable of irrigating a total area of 2,576 hectares of arable land.

The completed first stage of the project will irrigate 1,245 hectares in Marisa district, Gorontalo regency, North Sulawesi, enabling the farmers to have two harvests per year in stead of one only.

North Sulawesi's provincial public works office chief Hendro Y. Muljono informed ANTARA Eere Tuesday that the Marisa-Taluduyunu irrigation project, which can irrigate 2,576 hectares of arable land, was expected to be completed in the 1987/1988 fiscal year and would cost more than Rp 3,565 million.

Construction work at the first stage of the project started in the 1981-1982 fiscal year and the total costs until completion this year amounted to more than Rp 2,440 million.

Several irrigation projects which are at present still underway in North Sulawesi, spread out in Gorontalo, Minahasa and Bolang Mongondow regencies, including the Marisa-Tuluduyunu project, will be capable of irrigating a total area of 7,150 hectares, Hendro Muljono said.

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ORGANIZATIONAL STRUCTURE OF ATOMIC ENERGY AGENCY

Jakarta ANTARA NEWS BULLETIN in English 15 Jan 86 p A4

[Text] Jakarta, 15 Jan (ANTARA)--The Indonesian National Atomic Energy Agency (BATAN) is a non-departmental government institution directly under and accountable to the President.

This is stipulated in a Presidential Decree dated 31 December 1985 on the organizational perfection of the agency.

The basis of the decree is the expanding and increasing importance of the tasks and role of BATAN in promoting technology, science and national development in general.

Headed by a Director General, the agency has the principal task of assisting the President in conductin, arranging and supervising research work and the application of atomic energy for the safety, health and welfare of the Indonesian people.

According to the decree, the agency also has deputies for basic research and application, nuclear industrial development research, assessment of nuclear science and technology, general affairs, education and training, and a staff of experts.

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ECONOMIST WARNS ON LOWERING OF INTEREST RATE

Jakarta ANTARA NEWS BULLETIN in English 15 Jan 86 p A5

[Text] Bandung, 15 Jan (ANTARA)--A noted economist here Monday warned Indonesian bankers to be careful when they wish to lower their interest rate because the policy might possibly drive debtors to only move their credit for businesses abroad that offer higher rates of interest.

Prof Soemitro Djojohadikusumo said decreasing interest rate must not only be taken just for the purpose of balancing the economic condition in the country but it must also be done with regard to trends in international interest rate.

Soemitro was speaking in his own private capacity in a dinner held by the West Java chapter of the Indonesian Young Businessmen Association.

He further said that the government seems to have wished to decrease the bank interest rate on the ground that the rate of inflation in the country had decreased in the past year and will likely be so in 1986.

"Don't forget that Indonesia applies an open economic system that gives a chance for the movement of capital from home to overseas countries," he reminded adding that if the capital moves to other countries such as Hongkong, Singapore or the U.S. the real intention of the government to step up home production through the policy will be threatened.

Prof Soemitro strongly disagreed to the view that the government devaluate the rupiah saying that the step is unnecessary because the exchange rate of dollars had been continuously diminishing in the last ten years.

The dinner by the West Java chapter of the Indonesian Young Businessmen Association was held to mark the inauguration of Dana Mitra Lingkungan Foundation (an organization of fund-raising for environment).

Prof Soemitro pointed out that the economic growth in the country will likely be the same as last year standing at around three percent and the price of oil will continuously go down.

With regard to this he appealed to the government to maintain oil production and at the same time to be efficient in using the commodity. "Don't stick to the platform," he asked.

The economic expert envisaged that nickel, tin and bauxite trade will increase beginning this last decade, while the industry will maintain stable through efficiency, managerial improvement and clean administration.

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INDONESIA

EDITORIAL VIEWS EFFECT OF LOWER INTEREST RATE

Jakarta BUSINESS NEWS in English 17 Jan 86 p 2

[Editorial: "The Interest Rate"]

[Text] Since the banking deregulation on June 1, 1983, the interest rate for deposits — and naturally also credit interest — has considerably increased. Since then the level of the credit interest rate has been felt by both the business sector and the government as a major impediment to capital investments. Bank Indonesia has therefore adopted several measures to push the interest rate further down, among others by relaxing liquidity through the issue of money market securities (SBPU) and later the gradual decrease of SBPU interest. The rate of SBPU interest, originally put at 20.5%, has been reduced several times and now it stands at 17%. Parallel to this, the rate of time deposit interest has also been lowered by 4 – 6%. Meanwhile the credit interest rate has only slightly declined because banks still have to bear the burden of interest for previous deposits that have not expired. But in the beginning of the year the Governor of Bank Indonesia already voiced his hope that the credit interest will go down befor long.

In his speech at the banker's dinner on January 14, the Governor of Bank Indonesia again assured the presence of facilities at the disposal of the central bank, which can help reduce the interest rate — especially for long term credits — namely second discount facilities. The Governor said that in order to provide long term credits banks should mobilize private funds to the maximum, particularly relatively long-term funds. "But banks should unnecessarily link the long term credits they make available with the periods of their funds, because part of the short-term funds will remain for a fairly long time," the Governor indicated. He further stated that the central bank provides second discount facilities as an instrument for banks to overcome problems arising from a temporary mismatch in the granting of investment credits. Besides, in order to enable banks to manage their funds more flexibly, the central bank also makes available SBPU and first discount facilities.

The business sector welcomes the intention to lower the credit interest rate — especially investment credit interest. But in the meantime it should not be overlooked that low credit interest only constitutes one of the various other requirements for the boosting of investments. Different circles have also spoken of the necessity for providing sufficient opportunity to market their products, smoothening the handling of licences, eradicating illegal levies as well as time- and cost-consuming official levies, etc. As long as such impediments cannot yet be eliminated, the lowering of investment credit interest will not be able to induce any increase in capital investments.

Or what happens is as once pointed out by former finance minister Prof. Sumitro Djojohadikusumo, who suggested that the government should be cautious in reducing credit interest. While stressing that he did not mean to disapprove the lowering of the credit interest rate, he also indicated that Indonesia has an open economic system and the level of interest here cannot be viewed separately from the developments in other countries. The reality is now that the rates of interest in the other countries are also high enough, and if we are not careful in reducing the interest rate here there is the danger of people applying for credits in this country to finance their operations or to be deposited abroad and/or to finance imports, rather than buy domestic products.

Prof. Sumitro's warning is fairly realistic because even in the past — despite the high interest rate then — we experienced a rupiah drain, for most of the public as well as banks bought up the US dollar as they did in September 1984.

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SELF-SUFFICIENCY IN SOYBEANS EXPECTED THIS YEAR

Jakarta ANTARA NEWS BULLETIN in English 16 Jan 86 p A8

[Text] Jakarta, 16 Jan (ANTARA)--Import of soy-beans this year is expected to be discontinued if efforts to step up production from 742,000 tons to 1.3 million tons could be realized, Junior Minister for Development of Food Products Engineer Wardoyo said here Wednesday.

He further explained that efforts to step up soy-bean production were carried out among other things through extension of the cultivation areas from 638,000 hectares to 1.33 million hectares. Out of the 1.33 million hectares some 1.2 million hectares will be included in the intensification program, he said. Through the intensification program productivity per hectare, which during PELITA III (third five-year development plan, 1979-1984) reached an average of eight quintals, could be stepped up to an average of one ton per hectares, the minister said.

Junior Minister Wardoyo said that increase in soy-bean production was necessary, because Indonesia was showing a tendency of continuous increased import of soy-beans, costing the country hundreds of millions of dollars in foreign exchange.

In 1982 soy-bean import stood at about 696 tons; in 1983 it increased to 220,873 tons; and in 1984 it reached 400,678 tons. In 1985 however a decline in import was recorded to 161,846 tons, he added.

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DECLINE OF 29 PERCENT IN IRIAN JAYA'S EXPORTS IN 1985

Irian Jaya's Exports Drop

Jakarta ANTARA NEWS BULLETIN in English 17 Jan 86 p A5

[Text] Jayapura, 17 Jan (ANTARA)--Irian Jaya's exports in 1985 (January through November) recorded a value of US$410,970,739.99, a decrease of US$174,690,994.09 or 29 percent compared with the 1984 exports, which stood at US$585,661,734.08, according to data, obtained by ANTARA from the Irian Jaya provincial trade office here Thursday.

The decline in Irian Jaya's export value was due to the ban on log export, imposed by the government since 1 January, 1985.

Irian Jaya's exports in 1985 consisted of products from four sectors, viz. mining, forest products, sea/river and plantation products.

The export value, obtained specially from the sector, reached US$390,025,193.97 a decline of 29.83 percent compared with the previous year.

Exports of sea/river products stood in 1985 at US$20,246,282.37, a decline of 5.51 percent and the plantation sector's export value reached US$580,278.70, a decline of 48.31 percent.

Forest products recorded an export value of US$118,984.95 or a decline of 98.62 percent compared with 1984.

Irian Jaya's exports in 1985 had as countries of destination Singapore, Japan, the Netherlands, Korea, Taiwan, Thailand, the Philippines and Italy.

Ombilin's Coal Exports Up

Jakarta ANTARA NEWS BULLETIN in English 17 Jan 86 p A5

[Text] Jakarta, 17 Jan (ANTARA)--The export of coal from the Ombilin mine in West Sumatara increased by 12.6 percent to 452,312 tons in 1985 from 401,520 the previous year, latest figures at the Mines and Energy Ministry indicated.

The foreign exchange earned from the coal export also increased to US$16.57 million in 1985 from US $14.36 the year before.

The coal was shipped to Malaysia, Thailand, Bangladesh, South Korea, Japan and Vietnam.

Domestic Sales Also Up

Meanwhile, sales of the Ombilin coal in the domestic market also increased to 269,724 tons in 1985 from 183,336 tons in the previous year with the value of Rp 11.6 billion and Rp 7.76 billion respectively.

The boost in domestic sales was attributed to the implementation of the government's policy which obligates cement plants in the country to use coal as source of fuel.

The Mines and Energy Ministry estimated that in 1986 the domestic consumption of coal would reach about 4,180,000 tons.

Ombilin's production target for this year meanwhile is 900,000 tons.

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NO VISAS REQUIRED FOR BUSINESS TRIPS HERE

Jakarta ANTARA NEWS BULLETIN in English 18 Jan 86 pp A5, A6

[Text] Jakarta, 17 Jan (ANTARA)--Businessmen from 29 countries who would like to make a business trip to Indonesia are freed from the obligation to have a visit visa.

The visa is valid for two months but it cannot be renewed, sources at BKPM (coordinating board for investment) told ANTARA Friday.

A businessman sent to Indonesia by his company could be given a business visa by head of the Indonesian representative in his country.

If he intends to stay longer and can fulfill the requirements concerning his stay here his visit can be extended to six months counted from the day of his arrival.

BKPM took this step in an effort to improve services to prospective foreign investors that would help increase investments in Indonesia.

According to Manpower Minister's regulation No 04/1984 issued on 1 September 1984 a foreigner visiting Indonesia for business purposes should apply for a visa to the head of the Indonesian representative at his country of origin.

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JAPAN NOT TO REDUCE OIL IMPORTS FROM INDONESIA

Jakarta ANTARA NEWS BULLETIN in English 18 Jan 86 pp A2, A3

[Text] Jakarta, 18 Jan (ANTARA)--Minister/Deputy Chief of Mission at the Japanese embassy here Shigenobu Nagai has stressed that Japan will not decrease its crude oil import from Indonesia, because of its oil import from the People's Republic of China (PRC).

At a press conference here Friday, Nagai said that Japan only imported crude from the PRC worth about US$10 billion.

He admitted that as from 1983 Japan's import of Indonesian oil had been declining. In 1983 Japan's oil import from Indoesia covered about 15 percent of the overall Japanese oil import, which declined to 13 percent in 1985.

He said that although Japan's oil import from Indonesia was declining, but on the other hand Japan was the biggest importer of LNG from Indonesia.

According to Nagai, more than 50 percent of Japan's LNG import is from Indonesia. It is proper that Japan's oil import declines, if its LNG imports increasing, he said. [as published]

On the small Japanese non-oil/non-gas commodity imports from Indonesia, Nagai said that it was not the fault of his country.

Japan has opened its market to import goods, he said, but if Indonesian goods fail to enter the Japanese market, it is probably due to inability to compete.

To be able to enter the Japanese market, the goods should be of good quality, cheap in price and able to meet the customer's taste.

Forty Percent Suffer Losses

Nagai further pointed out that 40 percent out of the 210 Japanese business enterprises operating in Indonesia had been suffering losses lately, about 30 percent still made profits, out the remaining 30 percent could only managed to meet production costs. [as published]

According to Nagai the unfavourable situation was due to the government policy to frequently issue new permits, causing overproduction, such as in the textile industry.

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JAPAN TO COOPERATE IN INCREASING ENERGY SUPPLY

Jakarta ANTARA NEWS BULLETIN in English 19 Jan 86 p A2

[Text] Jakarta, 18 Jan (ANTARA)--Japan and Indonesia have agreed to promote cooperation in order to increase the amount of energy to supply the development in the two countries.

The agreement was made in the second Japan-Indonesia Commission on Energy meeting early this week in Tokyo, as disclosed by Minister of Mines and Energy Subroto here Saturday.

After reporting to President Soeharto at Bina Graha here Saturday, Minister Subroto explained that the energy cooperation comprises development of coal, new energy, investment in oil and natural gas, oil and gas trade, and technical assistance.

Subroto considered discussion of the commission quite important because energy will play a greater role in economy of developing and developed countries.

"Though we are aware of the reduced role of oil because of the increasing role of other energy sources," Subroto added.

The minister disclosed that based on the discussion of the commission, Japan will help coal development in the central part of Sumatra (Riau and Sinamar) and the use of solar head as new energy.

In the investment sector, Japan will keep on helping to find oil and natural gas sources in Indonesia, as has been carried out so far.

"The commission did not discuss any investment commitment, but investment assistance through Japec and Inpec will be continued," said Subroto answering questions from newsmen.

In the trade sector, Indonesia has put forward its desire to increase oil exports and oil end-products to Japan's markets. "Besides crude oil, we have exported LNG, LPG, naphta, LSWR, and calsine coke," the minister explained.

In technical assistance, Japan has helped Indonesia collecting complete and actual energy data. "Therefore, we have more complete data-based," he added.

Japan has also promised to provide aid for education in oil and gas sectors in Cepu (Central Java) which has been managed by Lemigas (Oil and Natural Gas Institution) so far.

Answering further questions, Subroto admitted Indonesia's crude oil market share in Japan was only 11.4 percent in 1985, a decline compared with the previous year when it was noted at 12 percent.

The decrease of Indonesia's oil market share was caused by the flow of oil from other countries, especially from the People's Republic of China, Oman, and Dubai, to Japan and the increase of the use of non-oil energy.

The market share of Indonesia's LNG in Japan reached 54.5 percent.

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GOVERNMENT TO PROVIDE NEW EXPORT FACILITIES

Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 pp A3, A4

[Text] Jakarta, 19 Feb (ANTARA)--The government is now arranging new facilities to be given to exporters in a bid to boost competitiveness of Indonesian products on overseas markets, Minister of Trade Rachmat Saleh has said.

Speaking at a parlimentary hearing with House Commission VII here Wednesday, he stressed that these facilities would not contradict the GATT provisions.

He noted that the government would revoke the "Export Certificate" facilities as of 1 April, 1986, to be replaced by an original "drawback" system which is now being arranged.

He added one of the facilities is the "Export Insurance" through which the exporters can reduce the possibility of losses, such as in the case of any failure of import payments.

Other facilities which are allowed by the GATT include the assistance of funds for covering promotion and market-penetrating costs, market-survey activities, efforts to seek overseas buyers, consultation on supply management and quality of export goods.

In the framework of penetrating the international market, Minister Rachmat Saleh considered the information on overseas market situations very significant.

In this context, he added the trade ministry will establish a market information centre to be run and developed by the Agency for National Export Development.

According to the minister, the success in boosting non-oil exports depends on three factors, notably the overseas market condition which is largely determined by the economic growth of such big countries as the United States, Japan and the EEC, as well as their protective policies.

The second factor is the business climate in Indonesia and the third is the competence of exporters that refers to their knowledge on market conditions, the ability in identifying the interest of buyers, the skill in penetrating the market and managing production and supply, in addition to toughness in market competition.

Trade With PRC

Concerning trade with the People's Republic of China, Minister of Trade Rachmat Saleh stressed again that there would be no special arrangements. "The trade procedures between Indonesia and PRC will be treated the same as those with other countries such as the United States and Japan," he said.

"Every holder of export licences can export to any country including the PRC," he added.

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1985 CEMENT EXPORTS BELOW TARGET

Jakarta ANTARA NEWS BULLETIN in English 20 Jan 86 pp A2, A3

[Text] Jakarta, 18 Jan (ANTARA)—Indonesia in 1985 exported only 500,000 tons of cement, far below the set target of two million tons. Chief Director of the Indocement Group Sudwikatmo told ANTARA Saturday.

Sudwikatmo cited two reasons for the failure to achieve the target, namely inability to compete in the world market against cements from Taiwan, Japan and South Korea, and the general sluggishness of the international market.

The cost of cement production in Indonesia, he explained, is relatively higher than in the three rival countries making it difficult for Indonesia to compete.

In the three countries production cost is relatively cheaper because their cement plants have already been using coal as fuel while the Indocement Group plant for instance are still using oil and natural gas.

Sudwikatmo estimated that the use of coal as fuel in Indonesia could cut cement production cost by about 14 percent theoretically. However, because of the absence of coal transportation means at the moment, and because cement manufacturers are obligated to make new investments to construct special coal terminals, the introduction of coal would be able to reduce cost by only about 10 percent.

"The Indocement Group, he said, would shift to the use of coal instead of oil and natural gas in March this year.

Illustrating the sluggishness of the world market at present, he pointed out that one of Indonesia's customers, Bangladesh, in 1985 postponed its purchase of cement. Another customer, Singapore, even cancelled its import from Indonesia because of the lack of funds for payment.

People's China

Sudwikatmo reported that his group is now eyeing the People's China market. Last year, the Indocement already signed a contract for the sales of 2.5 million ton to that country. The execution of this contract will be made through Kadin, the Indonesian chamber of commerce and industry.

During his visit to Indonesia last year, chairman of the Chinese Council for the Promotion of International Trade (CCPIT), Wang Yaoting, took time to inspect the Indocement plant in Cibinong, West Java, and concluded that it could become the ideal supplier of cement for his country.

So far the markets for Indonesian cement are Bangladesh, Sri Lanka, Pakistan, Brunei Darussalam, Hongkong, Singapore, Papua New Guinea and India.

Between Indonesia and India, he said, a counter-purchase contract was signed recently for a barter between Indonesian cement and India's wheat. In the first phase Indonesia will ship 500 tons of cement to India under the contract to be increased gradually as time goes.

The Indocement Group now produces about 7.7 million tons of cement a year, 60 percent of it for its domestic sales and the rest for export.

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INDONESIA

TRANSMIGRATION TO IRIAN JAYA CALLED KEY TO DEVELOPMENT

Jakarta ANTARA NEWS BULLETIN in English 20 Jan 86 p A2

[Text] Jayapura, (Irian Jaya), 20 Jan (ANTARA)--Irian Jaya Governor Izaac Hindom has said that the key for making development program a success in the province is laid on transmigration program.

Therefore, he went on, the transmigration program has to be done absolutely.

Speaking at a press conference here last weekend in connection with recent negative issued abroad on the transmigration program in Irian Jaya, the governor said that development experts from all over the world will be of the opinion on the need of inviting more transmigrants to come to the province to dig out potencies of the island.

He said that one million inhabitants of the province will not be able to develop the fast and rich province.

According to him, those who will be resettled in Irian Jaya are skilled farmers from Java and other regions with the hope that they will transfer their skill to their Irian Jaya counterparts.

In addition, he went on, the transmigration program in the province is also aimed at improving the welfare of the people.

A total of 14,761 families consisting of 61,731 people had been resettled in the province so far during the last (third) five year national development plans (Pelita III).

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KRAKATAU STEEL TO BOOST SALES

Jakarta ANTARA NEWS BULLETIN in English 20 Jan 86 pp A6, A7

[Text] Jakarta, 20 Jan (ANTARA)--Pt Krakatau Steel this year plans to step up its sale value of its products to Rp 330 billion or increase by 14 percent compared with that of last year, it was disclosed here Monday.

President Director of PT Krakatau Steel, Ir. T. Ariwibowo told newsmen after reporting the latest development of the company to President Soeharto at his Cendana mansion here that this year's sale value will also include an export plan valued at about US dollars 50 million or an increase by 65 percent compared with that of the previous year worth only US dollars 30 million.

Last year, he went on, the sale value of the company's various products reached a total of Rp 290 billion (or about US dollars 290 million) or increased by 43 percent compared with that of the previous year.

Ir. Ariwibowo also revealed that the sale of sponge iron in 1985 reached a total of 203,000 tons or increased by about 50 percent compared with that of the previous year. An increase by about 71 percent was experienced by the company in the sale of steel plate, which in 1985 sold 345,000 tons.

The sale of ingot in 1985 was recorded at 1,060,000 tons or an increase by about 44 percent compared with that of the previous year, while iron rod production during 1985 reached a total of 793,000 tons or increased by 36 percent compared with that of the previous year, which only totalled 581,000 tons.

In this connection, Ariwibowo said, President Soeharto called on him (Ir. Ariwibowo) that PT Krakatau Steel should maintain the production level and step up its export drive.

During the meeting, Ir. Ariwibowo also reported to the President on the latest developments of the current construction of the cold rolling mill, which up to last November had been 68 percent completed.

He hopes the mill will be able to operate commercially during the first three-months of next year.

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INDONESIA

CONSTRUCTION OF FIRST PULP FACTORY STARTED

Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 pp A7, A8

[Text] Sosorladang, North Tapanuli, North Sumatera, 19 Feb (ANTARA)--Construction of Indonesia's first pulp factory at Sosorladang, a village in North Tapanuli, North Sumatera, began Wednesday when Manpower Minister Sudomo, Minister for Industries Ir. Hartarto and Junion Minister for Stepping Up of Production of Hard Crops laid the first corner stones of the factory.

The factory will be built at a cost of Rp.213 billion on a 100 ha plot of land. It will be ready November next year and will be able to produce 165,000 tonnes of pulp and 54,000 tonnes of fiscose rayon per year.

Its commercial production will not be designed until 1988.

Even though the factory is estimated to leave negative impacts on the environment the government gives top priority to its construction in an effort to develop the national textile industry, according to Minister Hartarto.

When completed the factory will be able to employ 3,500 workers on a full time basis and 10,000 on part time basis.

Both North Sumatera Governor Kaharudin Nasution and North Tapanuli mayor Gustav Sinaga present at the ceremony stated the factory opens new opportunities for the economic and industrial fields, therefore they believed the negative impacts could be reduced to a very minimum level.

Long before the government decided to have the factory built the people had launched protests, saying the waste from the factory would pollute the rivers that are the source of their living.

The waste from the pulp factory will flow to the Asahan River which comes from Lake Toba and empties into the Malaca Strait.

Minister Hartarto therefore called for a serious effort to avoid an environmental pollution.

The board of executives of PT Into Indorayon Utama, the constructing company, stated the factory is equipped with air and water pollution preventive apparatus that meet the international standard.

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INDONESIA

BRIEFS

NONOIL EXPORT VALUE DOWN--Jakarta, 12 Feb (ANTARA)--The value of Indonesian non-oil/gas export inched down by 1.4 percent in 1985 against the value in the previous year, Bank Indonesia statistics show. The non-oil/gas export earned US$5,695 million in 1985 compared to US$5,776 million in 1984, or down by US$81 million. Indonesia's non-oil/gas export included palm oil, tapioca, palm kernel, pepper, copra, fertilizer, cement, plywood, sawn wood, rubber, tin, frozen shrimp, tobacco, rattan and electronic goods. Mostly the export earning was down because of drops in prices in the international market. [Text] [Jakarta ANTARA NEWS BULLETIN in English 12 Feb 86 p A2] /9274

PT PAL EXPANSION--Surabaya, 12 Feb (ANTARA)--The state-owned shipping manufacturing company, PT PAL Surabaya, is planning to build a dock with a capacity of 30,000 tonnes on six-hectares of land around the company site. Director of PT PAL Surabaya Soekono said this to the East Java Governor, Wahono, Wednesday. He reported to the governor that the company will require a total of 250,000 cubic metres of sand to level up the project site. PT PAL is applying for guidance from the governor on how best to dig sand from the sea. PT PAL together with the director general of sea communications has conducted a survey in the Tanjung Priok port areas in connection with the acquiring of sand. It is expected that with the new dock yard, PT PAL would be able to build ships ranging from 17,000 to 30,000 DWT, and to repair large tankers which so far have only been repaired in Jakarta. Up to now, PT PAL has been manufacturing ships of 3,500 DWT at the most. The construction of the project has been underway with the installation of heavy equipment. It is due for completion in 1988, said Soekono. [Text] [Jakarta ANTARA NEWS BULLETIN in English 13 Feb 86 p A5] /9274

AIR LINKS WITH CANADA--Jakarta, 14 Feb (ANTARA)--Visiting Canadian Minister for International Trade James Francis Kelleher has hinted that he is now working on the Indonesian counterparts to establish a direct airlink between Canada and Indonesia. He told an informal meeting with reporters here Thursday that this plane service had been raised in his talks with Indonesian Minister of Touris, Post and Telecommunications Achmad Tahir. "Indonesia is interested as well," he said. Minister James Kellcher nevertheless added that the discussion had not yet mentioned details and that it would be left to the air-negotiators of the two sides to conclude it. According to him, a direct airlink between Canada and Indonesia is very important, particularly, in the context of promoting Indonesian tourism. With the establishment of this plane service, he said Indonesia could export fresh tropical fruits to Canada which has so far brought in a great deal from such countries as New Zealand, Israel and South America. [Text] [Jakarta ANTARA NEWS BULLETIN in English 14 Feb 86 p A10] /9274

TRANSMIGRANTS FROM CENTRAL JAVA--Semarang, 17 Feb (ANTARA)--Central Java's representative office of the transmigration ministry resettled 531 families (2,209 persons) in transmigrations projects in Irian Jaya, Kalimantan, Sumatera and Sulawesi during 1 to 15 February, 1986. Out of the total, 197 families (872) persons were settled in the nucleus estate and smallholding projects, and the rest in public transmigration locations. The transmigrants hailed from Grobogan, Cilacap, Wonosobo, Surakarta, Blora, Pati, Tegal, Banyumas, Urebes, Sukohardjo, Banjar Negara, Semarang regency, Demak, Purwoejo, Klaten and Pemalang. They formerly inhabited dry, critical and densely populated areas, a spokesman of the provincial transmigration office said recently. [Text] [Jakarta ANTARA NEWS BULLETIN in English 17 Feb 86 p A3] /9274

BITUNG-DAVAO DIRECT SEA LINK--Manado, 18 Feb (ANTARA)--Director general for sea communications J. E. Habibie in a wire to North Sulawesi Governor C. J. Rantung sent last week approved of the opening of a direct sea link between Bitung port and Davao port in the Philippines. Habibie gave the approval following a request by Rantung that Bitung be opened for direct sea links with foreign countries to encourage exports of the province. Minister for Dommunicat-ons earlier decided the port was closed for foreign ships. The decision was a blow to the province trade activities, particularly the exporters who deal in international trade. In a press conference here Tuesday Rantung said the opening Bitung as an international port is a must to increase North Sulawesi's non-oil exports. Habibie's approval will enable North Sulawesi to compete with both foreign and domestic sea transportation companies. [Text] [Jakarta ANTARA NEWS BULLETIN in English 19 Feb 86 p A6] /9274

CALTEX OIL FIND--Jakarta, 20 Feb (ANTARA)--PT. Caltex Pacific Indonesia has recently made a new oil discovery in Riau Province which was tested at a combined flow rate exceeding 1,350 barrels of oil per day. The Pertamina Public Relations official said today that located in the "Kangaroo Block" approximately 18 kilometers northeast of Duri Field, Candi No 1 was drilled to a total depth of 1,361.5 meters striking pretertiary basement rocks. It was considered as an oil discovery in several horizons with indivudal swab tests ranging in rates from 275 to 743 barrels oil per day through an open choke in a two-inch inside diameter tubing. The zones tested were Louer Miocene Sihapas sands at depths between 478.5 and 819 meters. The API gravity of the produced oil ranged from 18° to 34°. PT. Caltex Pacific Indonesia is a jointly owned affiliate of Chevron Corporation and Texaco, Inc, which operates under a production sharing contract with Pertamina. [Text] [Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 p A9] /9274

EMPLOYMENT OF EXPATRIATES IN 1985--The demand for the new recruitment of expatriates in various fields in Indonesia in 1985 consisted 675 technicians and 58 management personnel. The need for expatriates in the mining sector in 1985 comprised 184 technicians and six management personnel, according to data obtained from the Manpower Ministry. The number of expatriates working in various fields in 1985 was registered at 8,627, consisting of 7,702 technicians and 925 management personnel. As many as 3,572 out of 8,627 expatriates working in Indonesia in 1985 were found in the mining sector, and 3,507 out of 3,572 expatriates working in the mining sector last year were technicians and the remaining 65 consisted of management personnel. [Text] [Jakarta BUSINESS NEWS in English 17 Jan 86 p 3] /9274

OVERSEAS WORKERS' FOREIGN EXCHANGE EARNINGS--Indonesian workers recruited in Saudi Arabia under working contracts sent around US$36 million in foreign exchange to Indonesia in 1985, Minister of Manpower Sudomo told the press after he met with President Soeharto at Bina Graha here Thursday. The amount has not reflected the total of foreign exchange earnings from Indonesian workers working in the Mideast country, because some of them have sent their money secretly to their families at home, the minister said. [Text] [Jakarta BUSINESS NEWS in English 17 Jan 86 p 5] /9274

WOOD EXPORT FIGURES--Indonesia's exports of sawn timber and other wood products are projected to reach 3.3 million m3 worth US$415 million at the end of Pelita IV (1988). The opening of a trading house for timber trade in Indonesia complete with a wood terminal is expected to enable Indonesian wood exporters to meet the target in increasing their exports of wood products. According to data collected by the Indonesian Timber Industries Association, the share of Indonesia in fulfilling the world demand for tropical hardwood has continued to increase in the past years. The volume of Indonesia's wood supply to the world market stood at about 1,462,000 m3 or about 26 percent of the world demand for 5,560,000 m3 of sawn timber in 1982, 1,730,000 m3 or about 30 percent of the world demand for 5,762,000 m3 in 1983, and 1,991,000 m3 or about 34 percent of the world supply of 5,877,000 m3 of sawn timber in 1984. The prospect of the marketing of tropical wood is very bright in the coming years. Producers and exporters of wood products in Indonesia are expected to be able to fulfill the demand of consumers, by among others making their products more competitive in quality and price. [Text] [Jakarta BUSINESS NEWS in English 17 Jan 86 p 8] /9274

CSO: 4200/668

SABAH'S MUSLIM OPPOSITION PARTIES THREATEN TO BOYCOTT POLLS

HK070622 Hong Kong AFP in English 0552 GMT 7 Mar 86

[Text] Kuala Lumpur, 7 March (AFP)--Moslem-based opposition parties in Sabah, east Malaysia, have threatened to boycott state polls called by Roman Catholic Chief Minister Joseph Pairin Kitingan whose appointment they have disputed.

Mustapha Harun, leader of the United Sabah National Organization (USNO), said Thursday that his party which holds 16 of the 48 elected seats in the state legislature would not take part in the elections until the High Court ruled on the legality of Mr Kitingan's appointment.

Mr Mustapha, 67, filed a suit in May last year seeking a declaration that he is Sabah's legal chief minister because Governor Adnan Robert swore him into office after bitterly contested state elections 10 months ago.

He claims that his subsequent sacking by Mr Adnan and Mr Kitingan's appointment were unconstitutional because a governor cannot fire a chief minister once appointed.

Mr Mustapha and leaders of the Parti Berjaya, a member of Prime Minister Dr Mahathir Mohamad's 11-party National Front Coalition, claim that Mr Kitingan had no right to advise Governor Adnan to dissolve the assembly last week because the validity of his appointment as chief minister was being challenged in court.

"USNO will of course contest in the election if the validity of Mr Kitingan's appointment is established by the court," Mr Mustapha, who was Sabah's chief minister in the 1960s, said. The High Court has announced that it will rule on the suit on 15 April.

Berjaya Vice-President Abdul Malek Chua said in Kota Kinabalu, dissolution of the assembly while the court's ruling was still pending was "subjudicial and in contempt of court."

USNO officials said that they were seeking an emergency sitting of the state assembly to stop the election.

An independent assemblyman, said to be aligned to USNO, filed a writ in the Sabah High Court on Saturday seeking to stop the dissolution of the assembly. The court will hear arguments on the case next Wednesday.

Mr Kitingan's dissolution of the assembly last week came in the wake of a defection by four assemblymen from his ruling Parti Bersatu Sabu (PBS), largely backed by Sabah's Christian Kadazan and ethnic Chinese communities in the last elections.

The defections cut PBS representation in the house to a precarious 24, half of the elected seats, although the party has the services of 6 appointed members.

The Federal Elections Commission on Monday deferred fixing a date for the elections citing administrative and financial problems for the delay.

Under the state constitution, however, polls must be held by 26 May or within 90 days of the assembly's dissolution.

/12232
CSO: 4200/776

ANTICIPATED 1986 GROWTH RATE CUT IN HALF

HK070510 Hong Kong AFP in English 0449 GMT 7 Mar 86

[Text] Kuala Lumpur, 7 March (AFP)--Malaysia has halved its projected growth rate this year to 3 percent and said that economic prospects for the next 3 years look uncertain due to falling commodity prices and foreign investments.

Finance Minister Daim Zainuddin said in a report on the economy released Thursday that gross national product growth for 1985 had been revised down to 2.8 percent against 5.2 percent estimated in October when he presented the budget to Parliament.

Mr Daim called his growth estimates for this year "very tentative" and said that the outturn could be better if commodity prices improved and the private sector responded to government policies to promote investments.

But a banker said he saw little prospects for an upturn in export prices of Malaysian crude oil, palm oil and tin, adding that uncertainties triggered by an imminent general election and last week's resignation of Deputy Prime Minister Musa Hitam were unlikely to stimulate new investments.

Malaysian tapis crude is currently priced at 23.90 U.S. dollars, after a 4 U.S. dollars cut last month, while spot prices are far lower at about 16 U.S. dollars per barrel.

The treasury expected crude oil prices to average at 26 U.S. dollars per barrel when drawing up its revenue and growth estimates in October last year.

Palm oil, Malaysia's largest agricultural export, was quoted at 435 Malaysian dollars (181 U.S.) a tonne this week, against an average of 1,046 Malaysian Dollars (436 U.S.) last year.

Mr Daim said that government plans to build 80,000 low-cost houses annually over the next 3 years and open up more land for development could improve growth prospects.

He said that the treasury may refinance some of its huge yen-dominated loans to take advantage of lower Japanese interest rates after saving some 89 million U.S. dollars by prepaying seven U.S. dominated loans totalling 2.6 billion U.S. dollars in recent months.

Mr Daim said that imports fell by some 2.4 billion Malaysian dollars (1 billion U.S.) last year, helping narrow the current account deficit to about 2 billion Malaysian dollars (833 million U.S.).

The treasury had earlier estimated the current account deficit for 1985 at some 5.3 billion Malaysian dollars (2.2 million Malaysian) [as received] because of high freight and insurance charges and the outflow of income due to foreign investors.

/12232
CSO: 4200/776

LANGE CITED ON LIBYA, TERRORISM ISSUES

HK280303 Wellington THE EVENING POST in English 22 Jan 86 p 7

/Text/ New Zealand Press Association--New Zealand had more cause than any other country to abhor state-backed terrorism, the prime minister, Mr Lange, said yesterday, following cabinet's rejection of a trade embargo against Libya.

Instead, the government's decision had been made in the light of a lack of international agreement on the desirability and effectiveness of sanctions.

But while deploring terrorism, Mr Lange added that the threat of such activity by certain Palestinian groups was likely to continue until there was a settlement that accommodated the "legitimate aspirations" of the Palestinians.

The search for such a settlement deserved higher priority on the international agenda, he said in a statement released after yesterday's cabinet meeting.

He later told a press conference that terrorism had struck home for New Zealanders with the bombing of the Rainbow Warrior last year.

"New Zealand has not received, from the French, one cent in compensation for what that terrorism cost us last year."

Nearly 2 weeks ago the government received a letter from President Reagan, of the United States, which, Mr Lange said, expressed the hope that "New Zealand would join in a broad-based international response to Libya's support of international terrorism."

New Zealand had always joined in sanctions that had the backing of the international community or the Commonwealth. But there was nothing approaching international agreement on Libya.

It would also have been "trite" for New Zealand to impose some sanctions when manifestly it had nothing to sanction.

President Reagan had cited "irrefutable evidence" that Libya's Colonel Qaddafi was involved in the Rome and Vienna airport massacres.

Asked if he had seen the "irrefutable evidence," Mr Lange said no, but Libya had described some acts of terrorism as "divinely sanctioned."

Mr Lange said the letter from President Reagan had not asked for a specific course of action.

"He knew that our trade with Libya was minimal and we have made a commitment pursuant to the President's initiative.

"We will not move to render ineffective some other country's sanctions.

Mr Lange said a threat by the Iranian ambassador that New Zealand should not join economic sanctions against Libya if it wanted to keep trading with Iran had not been considered by cabinet.

In his statement Mr Lange said: "We know that the threat of terrorist activity by certain Palestinian groups is likely to persist until there is a settlement in the Middle East that accommodates the legitimate aspirations of the Palestinians."

Measures had, he said, already been taken at airports and elsewhere that had helped.

But there was doubtless scope for better coordination of counterterrorist activities.

More effective action was needed, said Mr Lange, to ensure that governments did not provide asylum for known terrorists or grant terrorist organizations a base of operation.

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CSO: 5600/4344

LANGE DISCUSSES RELATIONS WITH FRANCE, NUCLEAR POLICY

PM281217 Paris LE MONDE in French 28 Feb 86 p 7

[Interview with New Zealand Prime Minister David Lange by R.P. Paringaux--date and place not given]

[Text] [Paringaux] For various reasons--the denuclearization treaty, diplomatic maneuvers, criticism of their policy--the French leaders imagine that New Zealand is plotting with its neighbors to expel France from the South Pacific....

[Lange] The French have a strange way of looking at things. These are probably the typical tactics of governments wanting to exploit citizens' nationalism. When you are a long way from the situation here it is easy to put forward the theory of a plot for your own benefit. In fact I have been attacked by radical groups in New Zealand and the South Pacific for constantly supporting some initiatives which the French Government has taken in the region.

For a long time now I have also taken care to draw the attention of local French representatives to the very clear difference between our concern about nuclear tests--not only those carried out by France but all nuclear tests--and our respect for a whole series of actions in New Caledonia which we regard as positive. Moreover, our view of France is not that of a monolith which is simply a target for our darts. We appreciate its diversity, its sophistication, its qualities, and its culture, but perhaps we are wrong?

No Animosity Against France

[Paringaux] Can France be more closely involved in South Pacific's future without abandoning the nuclear tests in the region or granting independence to New Caledonia and Polynesia?

[Lange] The question of nuclear tests is very very difficult. It is certainly an obstacle to a general improvement in relations with France but it is not a barrier to all forms of cooperation.

In fact France has positive relations with some South Pacific nations through the Lome Convention. Moreover, relations between Paris and the countries in the region are not determined by just one type of problem. For instance, we are capable of drawing a distinction between the period of time which seems appropriate to the development of the situation in New Caledonia and the period necessary in French Polynesia. We do not confuse the two questions, we believe in peoples' rights to self-determination, and we think that from this viewpoint the situations in Polynesia and New Caledonia are very different.

[Paringaux] After various approaches, what can you do to try and change French policy in the region? Do you think time and history are on your side?

[Lange] I would like the French to know that we appreciate the developments in New Caledonia. The French Government has been courageous, and I said so publicly. It would have been easy and politically popular for it to go back on the process of change. It could have done so by calling attention to the relations which some Kanak groups have [in] Libya. However, it kept its cool, continued the dialogue, and the move toward independence, thus avoiding a tragedy. We appreciate that. In the final analysis, the only real obstacle to the development of relations between the countries in the region and France is what is happening in Mururoa.

The French must understand that there is no real animosity toward them in New Zealand. Quite the reverse; it is quite extraordinary for us to see the way in which we are portrayed in France as some kind of Anglo-Saxon monsters, and as abnormal people. We have been protesting the nuclear tests for 10 years. When the problem became acute, President Mitterrand went in person to pose for the photographers at the test site. This affair has now become a problem of national pride, and a political symbol much more than a military necessity. When you have the capability to destroy the planet 10 times over, it strikes me that there is hardly an urgent need to continue, except for political reasons.

[Paringaux] You are opposed to the nuclear tests. You have banned U.S. ships equipped with this kind of weapon from putting into your ports and in so doing you have called into question the tripartite ANZUS treaty. What is the reason for the New Zealanders' allergy to nuclear weapons?

[Lange] It is primarily a question of geographical position, experience, and judgment. It is perhaps also a moral matter, but that goes beyond this question. It is a fundamental problem: From an egocentric viewpoint, we think that our interests are best served by this policy. This reflects our particular strategic position. If we were within range of a battery of Soviet missiles, we would certainly have a different viewpoint. But the fact is that ours is a remote island, without strategic importance; we do not have nuclear weapons, and nobody is asking us to have such weapons. We are not directly threatened by any enemy. It is important to realize that the Cam-Ranh base in Vietnam, which is often portrayed as the most dangerous expression of Soviet expansionism in the region is farther from New Zealand than it is from Italy.

As for our defense, although it has some military aspects, we think it should be based primarily on the development of multifaceted relations with our South Pacific neighbors. We have developed a tranquil world with them which the superpowers have not yet disturbed. It is against this strategic background that our allergy to nuclear weapons has been developed--an allergy which owes a great deal to the fact that several powers--the United States (in Bikini), Britain (in Australia), and France--have chosen the region for their nuclear tests. The first two stopped a long time ago, France which arrived much later, is continuing....

[Paringaux] What is happening in the affair of the French secret service agents? Paris says: Release them first and we will pay damages and interest afterwards. You reply: The question of reparations and the fate of the prisoners must be kept separate. Is a compromise possible?

[Lange] France simply wants to buy back two prisoners who pleaded guilty to murder. However, the French Government has admitted its wrongs. If New Zealand had organized an expedition to France and sunk a ship on the Seine killing somebody, I think French public opinion would have difficulty in understanding why the guilty parties should be released immediately. Moreover, it is obvious that France is perfectly capable of understanding the principle of the supremacy of the law. Recently it released two PLO terrorists well before their prison sentences expired and that action was condemned by [former French Prime Minister] Raymond Barre. In view of such reactions, we would not like to run the risk of criticism from the French right by releasing two people sentenced for a particularly serious crime....

[Paringaux] What chance have Mrs Prieur and Mr Mafart of being released before they have served their full sentence? Is it politically feasible for you to do this?

[Lange] The facts must be faced. What we expect from France is a reasonable attitude and relations, while realizing that we naturally cannot agree on everything. But what we do not want to see is the continuation of measures--non-tariff barriers, import licenses, tariffs--which the French are stepping up at present to exert commercial pressures on us. This is really a strange way of trying to secure the release of two criminals. As a state we cannot release these people before they have served a suitable proportion of their sentences. In New Zealand justice cannot be affected by government manipulations.

[Paringaux] What shocks the French most is that you refer to the two agents as "terrorists" comparable, for instance, with the people who hijacked the "Achille Lauro." The comparison has been made here....

[Lange] I have avoided this kind of offense. Nonetheless although some legal definitions are sometimes vague, the sabotage of the "Rainbow Warrior" can readily be portrayed here as an act of international terrorism perpetrated with the support of a state for political motives. What the New Zealanders find most difficult to understand is that the French

Government, which initially denied any involvement in the attack, and which subsequently condemned it, and then promised to make every effort to ensure that the guilty parties were punished, suddenly decided to change its attitude and change the guilty parties into good and loyal soldiers who carried out orders. I have no doubt they are, but in our views they are first and foremost criminals. That is the whole problem.

[Paringaux] During the election campaign in France the opposition, especially Giscard D'Estaing and Chirac, has adopted a tougher tone toward you. Do you fear a resurgence of bilateral tension, and a questioning of the process started in New Caledonia?

[Lange] This is a characteristic of election campaigns. Indeed I think the right-wing politicians have been fairly moderate in their statements and actions. It would have been easy to visit New Caledonia and make extreme statements and whip up strong feelings. They have resisted the temptation. We hope that this moderation will continue and will be a response to the moderation of the majority of Kanaks.

[Paringaux] What do you expect from France in the short term?

[Lange] We must not ask too much. The best thing is to allow things to cool down, and, despite everything, to maintain civilized relations between our two countries.

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CSO: 4219/29

PAPER PROFILES FORMER ENVOY'S ROLE IN ELECTION

Quezon City WE FORUM in English 4-10 Feb 86 p 15

[Article by S. Dipasupil: "Bayan's Responsibility To the People"]

[Text] After more than 30 years in the service of the Republic, this man faces probably the toughest challenge of his life: Convincing people not to vote back into office the man whose government he served for a major part of his career. Not only that. He is also part of a nationwide campaign to persuade voters to shun the polls that his former boss badly needs to shore up his sagging credibility.

"The mere fact you were in government doesn't mean you can't disagree with it," chuckles retired ambassador Carlos Faustino, now vice-chairman of the Bagong Alyansang Makabayan (BAYAN) for Metro Manila.

Now 72 and sporting a thinning pate, this former diplomat is at the helm of a two million strong-organization dominated by young idealists brandishing a radical and often controversial ideology. Before his retirment in 1978, he manned diplomatic posts in Bangkok, London, Paris, the Vatican, Hamburg, Hong Kong, Los Angeles and San Francisco. His last post was in Belgium and with the European Economic Community (EEC).

A member of UP Law Class '38, he missed graduating by only one year with the famous class '39, which produced a President, a Batasan Speaker and a recent Supreme Court chief Justice among other "notables."

He joined Bayan in May, 1985, and says he has not regretted his decision, except that his wife sometimes teases him for being a "late bloomer" ("Kung kailan ka pa tumanda..."). Since then, there has been no stopping him. Still fit and sprightly at 72, he has joined various marches and rallies led by Bayan, and doesn't mind joining a couple more.

"I consider Marcos an important problem, that's why I am here," he explains over a cup of coffee, as low-flying planes from nearby MIA zoomed overhead in his modest bungalow in Merville, Paranaque. "But even with Marcos out," he continues, "there will still be plenty of our basic problems left, which Cory (Aquino) cannot solve all at once. In the first place, her program of government suffers from some very serious defects..." he rambles on, citing her compromising stand on the fate of the US bases, and the prospect of communists coming out in the open and joining the political process.

His pet peeve, however, is the US bases issue, a "major irritant" that rankles his national nerves no end.

Echoing the old but still very valid argument that the US bases in the country are a threat to the survival of the Filipino people, he maintains that "we'll be caught in the crossfire" in case of war between the Soviets and the Americans.

"Take note that outside of the United States their bases here are probably their most important military installations," he warms up to the subject. He brushes aside claims that no foreign power would be interested in bombing the Philippines, insisting that even if that may be so, "we can be sure that the US bases will be attacked, and on that score alone, they should go, because they increase the risk of foreign attack."

He warns that considerring the effect of nuclear warfare, "the whole country will be devastated, and survivors will not be any luckier, because generations of Filipinos will still bear the marks of the nuclear holocaust."

According to Faustino, it is "diversionary" to reduce the US bases issue to a choice between democracy and communism, whether of the Russian or local variety. He says it is too "simplistic" to claim that should the US bases go, the Russians would want to fill in the military vacuum created by their ouster from the Asia-Pacific region.

"Russia does not have as much interest here as it did in Afghanistan, that's why talk of a Russian invasion here is pure speculation and conjecture," he counters. And as for the local communists, he claims this is more a problem of government credibility and effectivity.

"If our government had established reforms, put things in order, respected human rights and taken care of our poor, we would not have a rapidly growing communist insurgency in our hands," he argued impassionedly.

He insists that whatever government comes into power will have to take care of all these problems. "The economic crisis will go on with Marcos' exit, so it's Bayan's responsibility to steer the people to the right path," he declares. "Bayan's role does not end on February 7, if Cory wins. We'll continue our work..."

/9274
CSO: 4200/784

WEEKLY ANALYZES POLL BOYCOTT, IMPACT

Manila MR. & MS. (Special Edition) in English 7-13 Feb 86 pp 8-11

[Article by Candy Quimpo: "Boycotters Not Vital To Final Count"]

[Text] It is a sobering thought, Ferdinand Marcos emerges the victor of the coming presidential contest, his arch-rival Corazon Aquino losing by the slimmest of margins. And the margin by which he wins is approximately the number of people who opted for boycott.

The scenario immediatley lends credibility to the fiction of a fair and honest election. The traditional Opposition is handed the dubious distinction of "almost-winning-if-it-hadn't-been-for..." The boycotters of the last election who chose to support Aquino's candidacy have reason to distance themselves from the roots of their discontent. America gives the squeaky victory her nod of approval. And Ferdinand Marcos, health willing, rules for the next six years.

The high participation rate during the parliamentary elections in 1984 (83%), may dim boycotters' hopes that theirs is a national consensus. Says one political observer: "Boycott runs counter-culture in the Philippines. One might say that participation cleaves to the Filipino's fiesta mentality. A citizen would rather participate in the circus than stand idly by because it runs against his principles." A study of the May, 1984 elections however indicates that, during the post-election demonstrations, "the effectiveness of the political education campaign of the boycotting Opposition was said to have complemented the organizational efforts of the participation Opposition". The boycott campaign may in fact have been more effective in the aftermath rather than during the election itself.

1986's boycotters did not come up with their decision in a snap. Taken aback by the President's sudden cheerful acquiescence to a snap poll, the boycott verdict was reached only after much soul-searching and haggling with the participation-bent moderates. Though the Kilusang Mayo Uno (KMU) and the League of Filipino Students (LFS) almost immediately announced their intentions to boycott, the Bagong Alyansang Makabayan (BAYAN)--an umbrella organization of multi-sectoral nationalist groups including the LFS and KMU--took until January 8 to make its final boycott stance.

The decision came after agonizing debates within the organization. It was BAYAN stalwart Chino Roces, ex-publisher of the defunct Manila Times, who trudged the streets in search of a million signatures to spur Aquino's candidacy. BAYAN chairman, former Senator Lorenzo Tanada sat at Aquino's side as she announced her intention to run for the presidency. Boy Tripon, executive-director of BAYAN, Rizal, took a leave of absence to campaign with the Aquino camp.

Explains Joe Castro, acting-executive-director of BAYAN, Rizal: "BAYAN, when it was formed, considered electoral struggle a form by which it could advance the popular struggle. BAYAN is not anti-election." BAYAN's electoral struggle commission ranks equally with its popular struggle commission. The electoral struggle commission is tasked with actively seeking unity with political groups and parties with the ultimate goal of forging, "not tactical alliances but principled alliances". The commission develops mass-oriented politics and guidelines for proposed platforms of government.

After extensive deliberations, says Castro, BAYAN's National Executive Council resolved that BAYAN would participate in the snap elections if three conditions were met: the resignation of the President to provide the vacancy demanded by the Constitution; synchronization of the mayoral and presidential elections to prevent the further worsening of the economy; and, "as a democratization measure", the full restoration of the writ of habeas corpus and the abolition of the Preventive Detention Action (PDA).

The three demands, BAYAN hoped, would forge unity among the political forces and pressure the President into conducting a free, meaningful and fair electoral contest.

The demands however provoked the dissent of BAYAN members who felt that the non-compliance of the government was a foregone conclusion and that the demands were unrealistic considering the government's record of intractability.

Later, BAYAN modified its rigid stance, deciding to submit planks to the Labanng Bayan Coalition to integrate their party platform.

Aquino's "personal" decision to run under the UNIDO banner dismayed the would-be voters in BAYAN. "(Aquino's decision) changed substantially her program of government," Castro stressed, "UNIDO's program is far from that of the Laban ng Bayan. UNIDO hardly touches the roots of the problems of the people while Laban ng Bayan hews closely to specific nationalist and democratic demands."

On December 15, BAYAN created a special committee to consult with the political leaders of the Laban ng Bayan coalition. The day before Christmas found the committee toting a short list of nationalist and democratic demands to be submitted to Aquino through intermediaries which included Nene Pimentel, Bren Guiao, Tony Gonzales and Jaime Ongpin. "We were hoping that Cory Aquino would have a chance to meet with us after reviewing our minimum program. The holidays came and went however and there was no response--formal or informal--from the Aquino camp."

Aquino authorized MP Cecilia Munoz-Palma and former university president Emanuel Soriano to meet with the committee on January 3. The meeting was a dismal failure.

Soriano presented the committee with a copy of the unity agreement between UNIDO chief Salvador Laurel and Liberal Party head Jovito Salonga as witnessed by Aquino. In it was mentioned a minimum program which Soriano said substantially addressed BAYAN's demands.

Castro however insists that the opposite was true. BAYAN's demand for the immediate abrogation of the U.S. bases pact was watered down to "abiding with the agreement until 1991 then keeping our options open". The stand on onerous treatied entered into by the Marcos government, Catro said, was treated meekly by a "review and evaluation--of the agreements in the context of national interest". "It was couched in such vague terms...we wanted them to define clearly what they intend to do." Instead of unconditional amnesty to all political offenders, said Castro, "they attached a condition: to renounce the use of violence. BAYAN views violence as having been institutionalized by the fascist regime of Marcos. Violence amanates from the state and not from the people. The Unity Agreement ignored the reality that people opted to take the violent form of redressing grievances because they were no longer given any other option by the state."

Palma, Castro said, explained that she had not had the chance to glance through BAYAN's list of democratic demands before the meeting and promised to speak to Aquino. Soriano, in his turn, contended that 99% of the 15 demands were substantially addressed by the Unity Agreement. "Afterwards, we never received an official reply from Aquino on the meeting," Castro said.

Five days later, following an entire day of discussion by BAYAN's National Council, 84 BAYAN leaders voted boycott and six voted participation.

"We really wanted to participate--but to participate in such a way that we could use the snap election to advance the people's struggle against the U.S. Marcos dictatorship," adds Castro. "To us, it did not matter who the candidate was but what the principles of government would be."

BAYAN executive director-on-leave Boy Tripon explains his decision to participate: "I believe that some of the premises of the boycott decision are wrong. I told them that I would not abide by the majority decision. I felt that we were doing a great disservice to the people by boycotting the elections. To participate in the election is a no-lose situation. To boycott is a no-win situation."

Indeed, despite Castrol's confidence that "Our two million members will abide by the decision", sources say that BAYAN leaders in Mindanao expect 40% to 90% of BAYAN's Mindanao followers to participate in the coming elections.

Castro however insists, "This is not a numbers game. If at all, our aim is to accomplish, through the boycott campaign, the politicization of the people."

Tripon counters that boycott confounds this aim rather than propounds it. "We cannot leave to the traditional politicians the job of politicizing the people. I think that (Cory Aquino) has already won. It is not a question of a formal victory but a popular victory. It will be a victory of the people in that they overcome their fear of the dictator. The middle class will wake up and join the struggle of the lower classes. The recycled politicians are having a hey-day. If we leave it to them, the people will have nothing to hang on to after the elections. I am convinced that the traditional politicians are making a damn big mistake by bringing back circus politics. We have to leave (the people) with more substantial things than silly jokes about Marcos."

Unlike the 1984 boycott of the parliamentary elections, the present boycott movement will not call for registration of boycotters. Instead, its proponents encourage its members to man monitoring units which aim to expose cases of fraud, cheating and terrorism during the elections. The odd maneuver, says Castro, is not a contradiction since BAYAN is committed to the protection of human rights. "BAYAN itself is not mobilizing such units, but component organizations are free to join anti-fraud forces."

BAYAN's plans include symposia on boycott issues in venues all over the country; pickets; rallies; strikes. Last week, an alliance of urban poor and fishermen affected by the coastal road development project of the government staged a "Lakbay Dagat, Lakbay Lupa, Lakbay Riles" in which members marched to Plaza Miranda (or took trains and bancas via the Pasig River) for BAYAN's first boycott rally.

In Souther Luzon, miting de avances will be held to announce the coalition's plans for election day. BAYAN predicts that mobilization for the miting de avances will reach 10,000 per province. This week, a Visayan-wide workers' rally is planned along with a coordinated regional strike. The workers' rallies are to be held in front of military camps.

The Human Rights organizations and other multi-sectoral groups are also expected to spend election day monitoring fraud and terrorism.

BAYAN's schedule of activities appears bent on bringing back the groundswell of support boycott enjoined during the parliamentary elections. The planned LAKBAYAN on the first week of February however will be missing a few popular boycott personalities of the last elections.

A political analyst described BAYAN's boycott decision as "a set of conflicting signals". "First, it is definitely not a hardline boycott because BAYAN allowed a lot of its people to go on leave to support the Aquino campaign," the analyst said, "Secondly, BAYAN chapters have organized anti-fraud units for election day. In terms of the electoral process, most boycotters are unregistered anyway and therefore do not count in the equation. It is not an opportunity loss since the percentage of boycotters will not be significant to the final count."

Says Rene Saguisag, former avid boycotter-turned-Aquino spokesman: "In 1984, the line was that the election was made meaningless by Amendment 6 and the impotent nature of the assembly.... In '84, in fighting for the doughnut all you get is the hole--Marcos got the dough. This time, we could get the dought. He can only win through incredible circumstances."

Castro contends that "People are lulled into believing that the groundswell, the show of popular support will be enough to unseat Marcos. If we had been able to see the chances that she can win, we would have participated. Politically, you are confronting someone who has control of practically all provinces, 90% of the cities and municipalities and all barangays, with consolidated control over the military. Now that it is his position at stake, do you expect Mr. Marcos to play the role of a saint?"

BAYAN maintains that the United States is not at this time ready to eliminate Marcos. "Some people mistook the public distancing of the U.S. government as a concrete manifestation that they want to junk Marcos," says Castro. "We believe that the snap elections was not a U.S. initiative but a Marcos initiative which does not contradict U.S. policies and programs in the Philippines.... What the U.S. wants is a political stability within the Marcos rule and a peaceful transition to a post-Marcos era. This started during the '84 elections--the U.S. bargained for the Opposition seats in the Batasan."

Should Marcos win in the snap election, says Saguisag, "the seeds will be planted (for civil disobedience). How fast it will grow, no one can say." IN that event, adds Castro, "We definitely welcome (Cory Aquino) to join our protest movement...but not merely to protest election results."

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PAPER CITES ANG BAYAN ON POLLS, AQUINO

Manila MR. & MS. (Special Edition) in English 7-13 Feb 86 p 9

[Article: "What CCP/NPA Say About Elections: 'Boycott and Launch Military Operations'"]

[Text] If Marx were alive, he would die laughing.

Contrary to government propaganda, the National Democratic Front and its military arm, the New People's Army, are not trotting around in Aquino campaign paraphernalia and tying yellow ribbon to old oak trees.

In a densely-written memorandum to party cadres last year December 23, the Communist Party of the Philippines sounded the call to boycott the snap elections. Couched in the ideological jargon of readspeak, the memorandum instructed cadres to launch "popular military operations during the period of the snap election". The revolutionary boycotters were told to conduct "raids in camps and towns, militant vigilance and partisan operations in cities and large municipalities". The party, however, admonished its charges to "avoid such actions as ballot-snatching".

The red spectre of Communism has hovered over the campaign with expected vehemence. The President brands contender Corazon Aquino a power-hungry woman who "wants the best of both worlds"--revealing that Aquino fed and sheltered NPAs in her Tarlac hacienda and her Quezon City home. "Pinkos" and red advisers are her terra firma, he insists, at the same time airing testimonials by "reformed" NPAs on his television spots belittling Aquino's bid.

The December issue of Ang Bayan, the CPP newsletter, admits that Aquino's popularity has engendered a split even among those in the "antidictatorship movement": "Although convinced that a boycott is correct and conforms to principles and morality, many anti-fascists and progressives among the middle forces are worried that by boycotting they may be isolating themselves from the people. Because of this, a substantial number of them have opted for participation while the rest stand for boycott."

The fact that "many people, especially in the ranks of the middle forces in the urban areas, will be attracted to bourgeois reformism since this tries to peddle peaceful means for attaining change in society" is a "danger" that must be handled correctly to prevent "cracks in the ranks of the open anti-dictatorship movement," the newsletter said.

The Party memorandum explained the primary objective of the boycott is exposing the snap election for the sham that it is. A secondary objective is "to expose the conservative bourgeois Opposition and bourgeois reformism".

Though the President pounced on Aquino's 50 unidentified economic advisers as "red", the CPP newsletter says otherwise. "She has among her closest advisers anti-Marcos but pro-imperialist big compradors based in the capitalist enclave that is Makati, and leaders of the ultra-conservative and clerico-fascist Opus Dei." Aquino's "comprador-landlord class background" contributes to her closeness to these advisers, the paper said.

Armed Forces Chief of Staff Gen. Fabian Ver, interviewed by a Cebu newspaper, announced that "all known Communist personalities who are with the Opposition standard bearer will be charged in court after the February 7 elections." The military, Ver said, was in the process of stocking up on evidence against Aquino's supporters and were monitoring and intensively documenting their activities. Ver later denied making the statements.

Aquino has not quite emerged unbruised by the red paint hurled at her by her rival. Pollsters from both the Opposition and the KBL reveal that Marcos is leading in the small villages where the NPAs are viewed with apprehension. With the rural vote holding the balance of votes (70%), the red-baiting may become a crucial factor to Aquino's victory.

The ten-page memorandum to party cadres outlined what they perceived to be Marcos' objectives in calling for snap elections; the U.S. stance on the election ("The goal of the U.S. is to give the reactionary Opposition the chance to share in the power and privilege...the U.S. aims to broaden the political base of the puppet regime. This way they have a better setting for a peaceful transition to a post-Marcos era."); the stance of the legal Opposition; the meaning of the snap election to the revolutionary movement; and the tactical position of the CPP.

The election, the memorandum said, is a good occasion to sharpen and raise the political understanding of the people and strengthen their support and participation in the revolutionary struggle.

The Party called for political consolidation and the strengthening of the organization in preparation for a post-election "wide spread anti-dictatorial protest and mass campaigns...and to face the coming local elections".

Meanwhile, anti-red rhetoric continues to fly fast and furious in both the Marcos and Aquino camps.

The President paints an odd political canvas of Aquino as a lady with a taste for Communism--paradoxically insisting that the Communists also killed her husband. Aquino inevitably takes the bait. "And who," she glowers in tones that grow tougher as the hustings near, "has been attending Russian funerals and wooing Red China?" She adds: "Mr Marcos is the most successful recruiter of Communists."

And the First Lady, with classic aplomb, gives the weirdest twist to the debate: "The highest form of oligarchy is Communism."

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MORO FACTION LEADERS DISCUSS 'SHAM' ELECTIONS

Manila MR. & MS. (Special Edition) in English 7-13 Feb 86 p 11

[Article: "The MILF: 'We're Not Convinced of Marcos' Sham Elections'"]

[Text] Editor's Note: On his way to investigate a mass evacuation report in seven barangays around Lake Buluan, Maguindanao last January 24, Leonard Legarda of the Task Force Detainee News/Documentation Desk in Cotabato City, stumbled into a "safe" house for Moro Islamic Liberation Front (MILF) Field Commander Roy for Zone 6 and Mindanao political officer for education Habbie Ansari (both code names). Following is his conversation with the two MILF leaders.

QUESTION: What is the stand of the MILF on the snap election?

ANSWER: Islam does not have election. Nor are we convinced of Marcos' sham election and plebiscite/referendum shows. The organization may encourage the Moro masses to boycott this snap polls. We still respect people's right of suffrage. The participation of our legal counsel, Atty. Zacarias Canado, is a personal initiative which does not affect the organization. At this moment, there is still no order about this matter from the Central Committee.

Q: What are your plans during election?

A: In controlled areas, people will be left to themselves. In uncontrolled areas, special military operations will be launched.

Q: After election, what are your plans?

A: Election or not, our revolutionary activities are the responsibility of everyone. Therefore, the usual revolutionary tasks will be intensified in preparation for the popular offensive.

Q: What are the repercussions to the revolutionary activities if Marcos wins, or Aquino wins?

A: If Marcos wins, the organizational expansion and conscientization would be triple. He has already created so much misery for our people. And if Aquino wins, I think it would also be triple or more. The Moro masses now have a sense of direction.

Q: Is the MILF an alliance or Moro organizations or something else?

A: MILF is a political party of the Moro people. It is not an alliance.

Q: What is the MILF ideology?

A: The organization's ideology is Islamic. It is based on the Qur'an (Muslim Bible) and Hadith (teaching of prophet Mohammad). However, ours is not the same as Khomeini of Iran or other Muslim countries. We have contextualized the Islamic ideology suited to the Moro culture and heritage. Say, social stratification, the Datu system. It is respected in a given time. But everything which affects Islamic doctrine should undergo an Islamic cultural revolution.

Q: How do you reconcile faith and revolution?

A: Revolution means change. This change occurs when something has gone wrong in the structural aspect of the society. This means, when oppression and exploitation exist through institutionalized policies of the society, this must be transformed into a just and harmonious society. Qur'an says that there is oppression and exploitation, declaring a Jihad (war in the way of Allah) is justified. Islam is against any form of injustice. Thus, our faith in Allah (God) is itself a commitment to fight against the forces who created structural injustices.

Q: What is your method of politicizing the Moro masses?

A: If Communism has Marx's method of analyzing society, the Moro has prophet MOhammad. We analyze society through the experiences of prophet Mohammad during his time. There is only one basic premise, the existence of oppression and exploitation or injustice came about because of a defective system. We substantiate this with the teachings of Qur'an and our historical background.

Q: You said, your struggle is directed against the forces of injustice, does this mean the so-called feud between the Moros and Christians is not real?

A: Our struggle is directed toward ending oppression and exploitation that has terribly afflicted the poor and the powerless. In fact, Christian-Moro antagonism is the regime's strategy.... We would like to clarify this, we are not against Christians but fighting against the government that has institutionalized a repressive system and facilitated our misery in the homeland.

Q: What is the relationship or difference between MILF and the Moro National Liberation Front (MNLF)?

A: MILF and MNLF are one and the same. MILF is a change of name from MNLF. This is a political strategy to gain the support of the Islamic Conference, an assembly of 40 Islamic countries. With MILF, the clear Islamic line is defined. Besides, almost all MNLF freedom fighters are now MILF. Take Field

Commander Roy, he was an MNLF fighter in the 70s, now a Mujahreeden (Ideologically of Islamic doctrine, well-trained freedom fighter and deeply politicized) of MILF revolutionary army.

Q: You call yourselves Moro not Filipino. Why?

A: Our citizenship is Moro not Filipino. Historically, the Moro people were independent. The Filipino as name was an imposition by the colonizer, the Spaniard. So, therefore, to fight against colonization, even the colonizer's names must not be honored. We call ourselves Moro, our purely indigenous name.

Q: Do you have a time table for popular insurrection?

A: We have a time frame, Our activities are planned. Last year, the organizational directive from the Planning Committee were: Stand-by military offensives except on grave cases as what is happening now in Lake Buluan area where we are obliged to defend our masses against the returnees, massive political education, rigid military trainings and sectoral consolidation of legal organizations and individuals, as, student, professional, labor, women, non-Muslims (Christian and tribal Filipinos) and individuals in the AFP. Popular insurrection is at the discretion of the Central Planning Committee.

Q: How do you help the New People's Army in waging national liberation?

A: We recognize and respect the People's Democratic Revolution being waged by the NPA against local oppression and neo-colonialism.

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LEFTIST WEEKLY VIEWS BAYAN POST-ELECTION STRATEGY

Quezon City WE FORUM in English 11-17 Feb 86 p 7

[Article by Annabelle Cueva Ciutario: "Bayan Set To Go All Out After Poll"]

[Text] The recent electoral exercise has not meant the end of militant cause-oriented politics after all. Now that the elections are over, and with a probable Marcos win as could be gleaned from initial returns by the Comelec, it is expected that the so-called "street parliamentarians" mainly represented by the Bangong Alyansang Makabayan (BAYAN) will once again seize the political initiative after more than two months in the doldrums following the announcement of snap elections.

As it is, BAYAN is girding for massive protest actions all over the country in anticipation of the widespread fraud and terror used by the ruling party to ensure another Marcos victory at the polls. During the campaign proper, BAYAN has consistently advocated a boycott call on the grounds that the elections were rigged and Mrs Aquino does not have a fair chance of beating Marcos at the polls. It has also critized Mrs Aquino's stand on a number of issues, including that on the US bases and land reform.

But BAYAN has also been rocked by a number of resignations by prominent leaders of the organization who opted for participation in the polls and campaigned for Mrs Aquino. Former senator Lorenzo Tanada, its chairman, and former Manila Times publisher Chino Roces both went on leave for such reasons. And so did its president, former senator Ambrosio Padilla and another well-known member, Dr. Frank Arcellana who in fact decided to tender their resignation when BAYAN opted to boycott the elections.

Nevertheless, BAYAN leaders expect to return to the political arena immediately after the elections when the results would have redeemed its boycott stance. "Our immediate plan is to be able to harness and provide directions and leadership to the protest movement that is sure to come about after the elections," says G. V. Bautista. "We expect a groundswell of protest which will follow the cheating." And whether all (of the other opposition forces) like it or not, it's going to happen."

Asked whether such a move would appear awkward after its boycott call, and considering that the right to post-election protests should belong to those who participated in it, Bautista answered: "No, not at all.... All of (us) don't have to be burned so that together (we) will rise up. Precisely the reason we opted to boycott is to be able to project a statement of principle to be able to convince the majority of the people. But we held on, such that after the people would have seen the actual outcome (of the elections) and they would have been disillusioned by the experience of cheating and terror which we have been saying all along, they will probably get out of the slump of the hysteria created by the personality-oriented electoral contest. They will begin to seek the best option and the movement which provided the most accurate analysis or at least one that approximates reality, and they will now look up to such a movement for guidance and leadership."

Still, Bautista admits that it will not be that easy for BAYAN. For one, it remains uncertain whether Tanada, Roces, Padilla and Arcellana would go back to the militant fold. This is especially true in the case of those who formally resigned from BAYAN. "Maybe it might be wise to let the dust settle first, before opening up discussions again," says Bautista. With respect to Tanada and Roces, however, communications have reportedly been going on even during the campaign period and Bautista assures that they have been responding very positively.

The same goes for the others outside BAYAN, although its leaders have yet to formally sit down with all the leaders of the camp of Mrs. Aquino. "We will not wait for another anti-dictatorship forces to approach BAYAN. We will in a very aggressive way seek them out and once again consolidate forces to present a unified front," vows Bautista. However, he adds: "Some of them are ideologically incompatible with the forces of the militant groups. They are more interested in replacing Marcos but perpetuating a US-backed dictatorship--in other words, perpetuating a neo-colonial blueprint for Philippine society. If only for this, BAYAN leaders will not bank on the unification of all anti-Marcos groups. It might not even be necessary. The unity of the military forces, the progressive and patriotic forces, and the sincere groups among the electoral opposition will be sufficient to provide a sufficient front against the regime."

BAYAN leaders foresee a scenario after the elections wherein the US validates the Marcos regime's claims to victory at the polls, and then the latter tries to go on the political offensive. "People will start again choosing their options after the elections," predicts Bautista. "If there is violence here, much of that would come from the regime in the form of terrorism and repression. If people respond with violence, it is only because they have experienced violence and they would most likely call for sobriety and national reconciliation while a certain segment of the electoral opposition would also go along this line. If they do that, then they run the risk of abandoning leadership of the protest movement.

"But whatever, BAYAN will try to handle the outburst of mass political energy after the elections in a 'most constructive manner.' Any outburst of mass political energy by the people is a legitimate expression of their political sentiment at this point," explains Bautista. However, he elaborates that "each move by a mass movement must be calculated and deliberate. We cannot afford to waste away lives and risk the life and security of people where such is not necessary."

"After February 7 when people start looking for options, then BAYAN will be there so that we can present a more vialble, a more logical and a more effective option as against the two extremes of reformism by the moderates and anarchism by the political forces who are prone to terror tactics," concludes Bautista.

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WE FORUM VIEWS HUMAN RIGHTS AS 'ANTI-IMPERIALIST' ISSUE

Quezon City WE FORUM in English 11-17 Feb 86 pp 6, 12

[News analysis by Eli Angeles: "Human Rights in Capitalist Society"]

[Text] It is good a time as any for reflecting on human rights as an issue, and inevitably as a concept.

Human rights as an issue tends to connote or be limited to military abuses, specifically political detention, torture, disappearances, "salvagings", hamletting, etc. In short, anti-fascist.

Actually, human rights are much broader. A good framework for viewing human rights is that of the country's premier human rights advocate Jose W. Diokno in his "Human Rights Make Man Human." Diokno proposes this frame work of basic human rights:

1. Rights of Man or Individual Rights of Man

A. Right to Life

B. Right to Dignity

C. Right to Develop

xxx analogous or parallel to which are--

II. Rights of the People or Collective Rights of Man

A. Right to Survival

B. Right to Self-Determination

C. Right to Development

All the rights of man and all the rights of the people stem from the three basic human rights--to life, to dignity and to develop.

For Diokno, the foregoing framework is more useful than the one of the United Nations that divides human rights into two broad kinds:

1. civil and political rights

2. economic, social and cultural rights.

Dante C. Simbulan, in his "The Struggle for Human Rights in Asia." posits an even broader framework for four dimensions:

1. individual rights

2. rights of a group or association

3. rights of a nation, or rights of peoples

4. rights of humanity

Incidentally, the new-organized Families of Victims of Involuntary Disappearances (FIND) is supporting the move in the UN to declare the practice of disappearances as a crime against humanity.

Simbulan's point is that human rights must be understood in the context of particular settings and circumstances, of the forces at play in the area. While in the West, the emphasis is on individual rights; in the Asian setting, as well as in the rest of the Third World, the emphasis is on people's rights.

Similarly, Renato Constantino in his "Nationalism and Southeast Asia" says that "The question of human rights, that is, the violation of civil rights should be placed within a larger perspective."

There are two aspects to the question--the external or national and the internal or individual. xxx The internal aspect cannot be dealt with separately from the external aspect of national oppression. Discussion on the subject of human rights becomes meaningless unless there is realization that the fundamental human right of independence and freedom of the people from colonial or neo-colonial domination has not yet been attained. Violations of civil liberties and physical violence against citizens by agents of the state should be condemned but they should not constitute the principal focus of protest while the larger question of the people's right to self-determination has not been settled. xxx

xxx

xxx If groups concerned solely with human rights are encouraged and even funded by external forces, the attention of the oppressed people can be focused on this painful, important but untilately peripheral issue and diverted from the principal source of their major problems (including human rights)--the foreign control of their economy. xxx

In other words, while human rights as an issue is essentially and mainly anti-fascist, it must also be anti-imperialist.

However, the characterization of the issue as "ultimately peripheral" is unfortunate on several counts:

1. It gives the impression of a low regard for the inalienable dignity of the human person.

2. Fascism is an expression of the basic problem of bureaucrat-capitalism. Corollarily, the upholding of the democratic rights of the broad masses of the people is a sub-aspect of the democratic aspect of the struggle.

3. Painful physical violence against citizens can become an obstacle to the accelerated development of the nationalist movement.

In fine, the democratic aspect of the struggle cannot for too long a time lag behind the national aspect, and vice-versa.

Not only does the human rights as an issue tend to connote or be limited to military abuses. But it also can be double-bladed; i.e., it can work for or against either side of the struggle.

Take the most basic human right to life, which has been the subject of several issuances of the Catholic national leadership in recent times. In July 1984, there were Cardinal Sin's circular "Our National Reverence for Life" and the CBCP's Joint Pastoral Letter on the Sacredness of Human Life" and its Defenses entitled "Let There Be LIfe". In July 1985, there was the CBCP's "A Message to the People of God" which stated, among others:

We forthrightly call this wave of inhumanity as terrorism. We refer to various acts inimical to persons and designed to terminate dissenting opinion, impose control, or implied application of blatant power for one cause or another. By whatever name it is called, salvaging or liquidation, xxx the increasing use of force to dominate people is a frightening reality which pastors cannot ignore.

xxx

We denounce the execution of civilians suspected as subversives by the Right, or as informers and "enemies of the people" by the Left, especially by the NPA. We believe that neither the cause of national security not that of "national liberation" can justify such blatant violation of the right to life, so cold-bloodedly terminated, oftentimes on the basis of mere suspicion.

However, the cause of national liberation is also founded on a human right--the people's inherent right of revolution or collective self-defense, which is starting to be voiced of late by the cause-oriented sector, undoubtedly as a result of escalated (as in Escalante) state repression and terrorism.

Revolution or revolutionary war is also subject to the generally accepted rules of war.

Revolution brings to mind the proletariat, in whom class leadership of the revolution is reposed, according to Marxist-Leninist theory. And the proletariat's fundamental slogan is not human rights but abolition of classes. This was one point in "Notes on the Human Rights Question" (Beijing Review, November 29, 1979) published at the height of Carter's use of human rights as a weapon in contemporary international political struggle. What follows (7 paragraphs) is from said "Notes".

Historically, the slogan of human rights was first raised by the bourgeoisie. It was a powerful ideological weapon of the rising bourgeoisie in its revolution against feudalism. It became their main slogan and the basic content of the bourgeois political program.

Human rights as advocated by the bourgeoisie are universal only in form, as it is claimed that they are meant for all men. But in essence they cannot involve all men. They are only the rights of the bourgeoisie in the capitalis society.

"Human rights" is also a slogan with which imperialism and the bourgeoisie attack the socialist system. They attack socialist countries as granting no human rights to its people.

The historical mission of the proletariat is to eliminate the system of exploitation of man by man and completely emancipate mankind. In their Manifesto of the Communist Party, Marx and Engels made a profound exposition of this idea, pointing out: "The theory of the Communists may be summed up in the single sentence: Abolition of private property."

Then should the proletariat not raise the slogan of human rights at all? Certainly not. The principle of human rights (such as liberty and equality) put forth by the bourgeoisie is, to the proletariat, essentially hypocritical. The proletariat should make use of this principle to demand that the bourgeoisie itself put it into practice. In this way, the proletariat can use the slogan as a weapon against the bourgeoisie.

However, it must be made clear that rights like liberty and equality are after all, as Engels put it, "purely democratic demands," and the proletariat cannot restrict itself to such slogans and demands. It should put forth its own, even higher demand and goal, that is, the realization of socialism and communism. Any rights of man, liberty and equality included, can only be something deceptive if they deviate from this end.

In leading the democratic revolution, the Chinese Communist Party raised the slogan of human rights. It did this in order to mobilize the people against imperialism and feudalism. It is a concrete democratic policy (mainly for protecting freedom of the person). However, even in the period of the democratic revolution, "human rights" was not the major slogan of the CCP.

Now going to the context of the present Philippine struggle, it is interesting to note that this struggle has been characterized as "bourgeois democratic".

xxx It is a democratic revolution against imperialism, feudalism and bureaucrat-capitalism and not a proletarian revolution to supplant capitalism with socialism. It is a new-type bourgeois democratic revolution because being under the leadership of the revolutionary proletariat, it has a clear socialist perspective.

xxx It follows that what it will establish will not be a proletarian government but a democratic coalition government of all anti-imperialist and anti-feudal forces. While it would not be a proletarian state, it would not be a bourgeois state either since it will be ruled jointly by the democratic classes and strata.

Thus, the slogan of human rights is raised but it is not the major slogan. What is currently the central or banner slogan, corresponding to the stage of the struggle, is of course "Dismantle the US-Marcos Dictatorship and Establish a Democratic Coalition Government"--a slogan that is revolutionary if only in the sense that it is the fulfillment of the people's demand for national liberation and democracy.

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'ALTERNATIVE' WEEKLY SEES DECLINE IN 'CRONY' PRESS

Quezon City WE FORUM in English 11-17 Feb 86 p 16

[Text] You could see it in the streets, if you look closely. You could hear it in your bedroom, if you listen hard.

Look at the newsstands, notice the newsboys call out their wares or display them. Since the snap election became top news, this change has become noticeable: the so-called "crony" papers have stayed longer in the newsboys' arms, gathered more dust on the sidewalk.

The change in newspaper preference, it seems, becamse more pronounced as the electoral campaign hit the road and eclipsed all other news above the newspaper fold. A source in the profession says confidential reports in top management rooms on the so-called mainstream press row have charted a circulation downtrend.

It's gotten so, according to one veteran newsman who takes the buses and jeepneys to work every day, that at 2 p.m., newsboys still sell the so-called "crony" newspapers on the streets.

Have the crony press become one more loser in the credibility game? This is a question being asked, not only in the so-called alternative press circles but also among some members of the staff of so-called crony newspapers, according to observers.

Only recently, the editor and top staffers of PANORAMA, the Sunday magazine of the Bulletin Today, quit to join the reborn Manila Times. The editor left because she said she could not stand the censorship.

The key men in the circulation battle, the newspaper dealers, attest to the phenomenon that is Malaya. They would order more copies for Metro Manila distribution long after the presses of the competition had stopped for the day.

But the real story is not in the print orders but in the number of copies returned, meaning not sold. Malaya's rate of returns is something that the fat cats of newspapers will envy. So why doesn't Malaya reveal its true circulation? That'a a different story.

With each new development in the alternative press' ambit of coverage, their circulation climbed steadily. Those of the mainstream newspapers, at the same time, were going in the opposite direction. Informants said one major daily was experiencing returns that went as high as 90,000 copies in one day.

Actually, the talk in the trade was that the other two had long ago squandered most of the patronage that martial law awarded them in what was supposed to be a thoroughgoing media reform. Observers wondered whether the report dive in their circulation was a result of almost identical treatment of news favorable to Malacanang.

If WE FORUM informants are correct, readers are breaking a morning habit in increasing numbers and going for the headlines and stories that the alternative press offered.

Informants say it would not be farfetched to speculate that the three so-called majors would not have a combined circulation of more than 300,000 nationwide. How big a role, then, did they play in Mr. Marcos' cause?

Observers note that the two major English tabloids erected their circulations on crime, sex and violence. During the campaign, the two switched headline emphasis to help boost the President's line. These observers noted a similar decline in their circulation when they did that.

Perhaps a study should be conducted on how the Marcos regime's credibility rating affected the credibility ratings of the establishment papers. Have they also become victims of the electoral exercise? Will the so-called alternative press fill the credibility gap?

A survey conducted by the University of the Philippines masscom institute showed, among others, that of all the daily newspapers, only Malaya showed an almost 50-50 balance in its coverage of the Unido and KBL.

/9274
CSO: 4200/770

PHILIPPINES

MARCOS-LINKED PUBLICATIONS SUFFER PLUNGING SALES

OW050621 Tokyo KYODO in English 0458 GMT 5 Mar 86

[By Mike Alunan]

[Text] Manila, March 5, KYODO--Some of the publications identified with the government of deposed President Ferdinand Marcos may soon fold up in the face of plunging sales.

They suffered from a massive boycott prior to the February 7 snap polls which sent opposition papers' circulation figures soaring.

The TIMES JOURNAL group of publications, owned by Benjamin "Kokoy" Romualdez, a brother of Imelda Marcos, is expected to close in 2 weeks with about 400 million pesos in debts to various institutions including the Development Bank of the Philippines (DBP) and the Paper Industries Corp of the Philippines (PICOP).

Three daily publications under the TIMES JOURNAL (TJ) group--the SUN TIMES, the MAKATI BUSINESS DAILY and the CHINA TOWN NEWS (printed in Chinese) with circulations of about 15,000 copies each--went out of business in late February.

About 700 workers and employees would be affected by TJ's closure.

Among the TJ publications that would disappear with the company's shutdown are the people's journal, believed to be the largest in the tabloid market, peoples tonight, the WOMEN'S JOURNAL and TALIBA (a daily Filipino paper).

DBP could soon foreclose on TJ property, now that publisher Romualdez has fled the country to join Marcos in political asylum in the United States.

Jose Burgos Jr., publisher of the PAHAYAGANG MALAYA (FREE PRESS) which now has a daily circulation of about 300,000, has reportedly offered to buy TJ.

Max Solliven, publisher of the PHILIPPINE DAILY INQUIRER, another opposition paper which has shot up to over 300,000 in circulation in 3 months since it started, is also reportedly interested in taking over the journal's printing press.

Eugenio Lopes, whose five TV stations and some 15 radio stations were confiscated by Marcos after the declaration of martial law on September 21, 1972, is also back from exile to regain ownership of TJ's printing machines.

Meanwhile the DAILY EXPRESS, which was once the top paper with a circulation of over 300,000 at the onset of martial law has now dwindled to about 30,000 despite its appealing print colors and layouts.

Its main owner, Roberto S. Benedicto, former ambassador to Japan and the U.S. and another Marcos crony who monopolized the sugar industry until its downfall, is reportedly still in town.

Staffers have been handed a circular saying that the EXPRESS "will remain to be an independent paper. It will be critical and will only praise when it needs to."

However, about 500 employees still fear layoffs as the paper is now increasingly being edged out of the market.

Another publication group on the brink of closure is the EVENING POST, which also produces the DAILY METRO MANILA TIMES, the MINDANAO JOURNAL, FOCUS MAGAZINE and other small publications.

Its owner-publisher is Kerima Politan, estranged wife of Presidential Executive Assistant Juan C. Tuvera, who has reportedly fled the country with Marcos. Tuvera's Orient Media Services Co, which owns all these publications, is now reportedly debt-ridden with unpaid loans from the Philippine National Bank (PNB) and PICOP.

Both the EVENING POST and the METRO MANILA TIMES, a morning paper, have been marginalized with the entry of the opposition papers since the assassination of Benigno "Ninoy" Aquino.

Also badly hit by the boycott is BULLETIN TODAY and its sister publication, TEMPO, which are owned by Emilio Yap, Menzi Foundation, the Marcos family and crony Eduardo Cojuango Jr, the latter two under the dummy corporations led by Trans-Orient Corp.

From a peak of about 310,000 in circulation with 42 to 46 ad-filled pages, the bulletin has plummeted in circulation to slightly over 200,000 with only about 20 pages as advertisers have shifted to the opposition papers.

The crony publications, particularly the TIMES JOURNAL, BULLETIN TODAY and the DAILY EXPRESS, all started at the height of the martial law period and functioned mainly as propaganda arms of the Marcos government.

Coverage was limited to good news or to accomplishments of the government. Stories on the Moro National Liberation Front (MNLF) and New People's Army (NPA) offensives and clashes with government troops, or even about workers' strikes or student boycotts, never saw print. Neither did items about military abuses, human rights violations and government anomalies.

Toward the late 70's and early 80's, however, internal developments in Philippine politics along with the external pressures brought about by U.S. President Jimmy Carter's foreign policy on human rights pushed Marcos to adopt a belated normalization scheme which resulted in the so-called "face-lifting" of martial law on January 6, 1981.

This encouraged reporters to come out more daringly by exposing and opposing government activity, but outspoken journalists started disappearing or being gunned down or silenced by threats from the military, henchmen of Marcos' cronies, or local warlords in the provinces.

As of January 1, 1986, 26 reporters had been killed since 1979, half of them in 1985 alone.

This limited liberalization backfired on the Marcos government, as the press started exposing issues and amomalies. WE FORUM, published by Malaya's big boss Jose Burgos Jr, was padlocked in 1983 for exposing Marcos' fake war medals, and its staff members were arrested.

The late Hans Menzi, a Marcos crony who owned the bulletin TODAY, also folded up his WHO magazine, which went so far as to carry critical articles written by Marxist intellectuals from the University of the Philippines (UP), all in the guise of press freedom. Nonetheless, the impact of these so-called opposition papers was still insignificant as the government managed to limit their circulation.

"Xerox journalism" suddenly flourished as the public's thirst for news and hard facts created a market for photo-copied extracts from publications from abroad critical of the government. Stories of the first lady's shopping sprees and penchant for a regal lifestyle were copied and passed on.

In the aftermath of the Aquino assassination, independent papers like the BUSINESS DAY shot up in circulation, prestige and credibility.

Also in 1983, Joe Burgos' MALAYA was set up as a weekly paper, which later grew into a daily with three editions and two sister publications--WE FORUM and ANG MASA (THE PEOPLE).

In late 1985, the PHILIPPINE INQUIRER was established, followed by the MANILA TIMES in early February of this year. Both are now enjoying increasing patronage from readers.

The Philippine dailies may be dwarfed in circulations by publications in other countries, but each copy is read by about 10 people.

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CSO: 4200/771

WEEKLY ANALYZES BISHOPS' POST-ELECTION STATEMENT

Manila MR. & MS. (Special Edition) in English 21-27 Feb 86 pp 6-8

[Article by Ma. Ceres P. Doyo: "Like the Wrath of God"]

[Text] Finally things snapped. Out of the silent halls of the Catholic Church, the voice of the hierarchy crackled. The post-election statement of the Catholic Bishops' Conference of the Philippines (CBCP) came down like the wrath of God.

Valentine's Day 1986 would be long remembered as the day the bishops came out to condemn a political exercise. Lifting up their headlines, they at last waded into muddy waters to cross the moat and lay siege on an impenetrable fortress.

The statement was, by far, the most scathing and the most pointed ever released by the CBCP. It outdid all previous pastoral letters, statements and exhortations and although nowhere in the statement was it mentioned who was guilty in the elections described by them as "unparalleled in the fraudulence of their conduct" there was no mistaking who the bishops meant. As former hostage Bishop Federico Escaler, S.J. of the Ipip Prelature (Zamboanga del Sur) unabashedly exclaimed: "Marcos will be boiling mad!" Not unlike the wrath of gods.

Scoring the systematic disenfranchisement of voters, the widespread and massive vote-buying, the deliberate tampering with the election returns, intimidation, harassment, terrorism and murder, the bishops took issue with "a government in possession of power". Signed by Ricardo Cardinal Vidal, archbishop of Cebu and president of the CBCP, the statement said: "If such a government does not of itself freely correct the evil it has inflicted on the people then it is our serious moral obligation as a people to make it do so."

"We are morally certain that the people's real will for change has been manifested," says Bishop Teodorico Bacani. Bishop Francisco Claver says: "The mandate for change is very clear. You make up your mind what that change means."

Although the bishops did not go into specifics on the action to be taken, they prescribed "active resistance of evil by peaceful means--in the manner of Christ."

Their call would later see shape in Ms. Corazon Aquino's seven-point program of civil disobedience laid out at the "Tagumpay ng Bayan" rally in Luneta where she called for a boycott of the crony banks, media, corporations and delay of payments to the government. The bishops' presence at the rally lent legitimacy to Mrs. Aquino's claim to victory in the elections.

They've come a long way, the monsignores.

When martial law was imposed in 1972, there was nary a whimper of protest from the CBCP. The silence sent shivers down the rank-and-file working up front. As was expected, not a few militant church people found themselves either arrested, detained, tortured, killed or deported.

But the hierarchy circa 1972 was not totally silent. It in fact spoke, and subtly if not openly, endorsed Marcos' New Society. In the book Church-State Relations, Professors Mario Bolasco and Rolando Yu describe how it was then:

"One week after the declaration, the administrative council of the CBCP came out with a letter, approved by President Marcos, addressing the faithful with a few words of encouragement and guidance. The Council, then presided by Archbishop (Teopisto) Alberto wrote: '...On the other hand, the Bishops of the Philippines recognize the right and duty of civil authorities to take appropriate steps to protect the sovereignty of the state and to ensure the peace and prosperity of the nation within the law."

"With good ground the media interpreted this as an endorsement of martial law. Rufino Cardinal Santos, proceeding from these same premises, came out with a statement...which added grist to the mill of the martial law press. (A Times Journal) article lengthily quotes the Cardinal saying: 'The establishment of a new society in our beloved country as envisioned by the imposition of martial law should be hailed and welcomed by every peace-loving citizen.'"

If the Church--the People of God--did not find a fighting voice in its leaders then, it found a dissenting voice in the "lower echelon". Acting independently, nine major religious superiors and 17 "recalcitrant" bishops came out with strong but polite requests that Marcos shorten martial rule, that those detained by fairly dealt with in the courts, that the innocent be released immediately and that freedom of speech and the mass media be restored.

Shortly thereafter, the Association of Major Religious Superiors of the Philippines (AMRSP) which forms the leadership of some 13,000 religious, sent a letter to the President expressing apprehension that "the sudden promulgation of new laws as well as their uneven application can create a general climate of uncertainty which will in turn generate confusion and fear". They also set up the Task Force Detainees (TFD) which till today remains steadfast and active in human rights work. TFD's present head, Sister Mariani Dimaranan was one of the first religious to be thrown into jail.

"We have to point out that the Church was (therefore) not totally remiss in the pursuance of its mission," Bolasco and Yu note. "It was the largest surviving institution (congress having been disbanded) that was capable of raising a voice against the vagaries of martial law. And it did raise a word of caution calling on civil authorities for prudence and restraint."

At that time hardly anyone among the church leaders knew the woman named Corazon Aquino.

The late 70s and the 80s saw the Church with some of its ranking officials, together with the active rank-and-file on one hand and government forces on the other, "invading" each other's rutf, with the former doing it on moral and theological grounds (liberation theology was in vogue) and the latter invoking so-called national security. Every so-often, the issue of "separation of Church and State" was raised, if not the polarization of Church and State.

For the Catholic and Protestant Churches alike the price was high--in recent years five murdered clerics and several missing, many nuns and priests arrested, several institutions raided and many church workers outrightly killed. Still, there were those who, not quite satisfied with the Church's sometimes uneasy stance and slow pace, bolted out of church comforts to either go underground or take to the hills to pursue armed resistance. Indeed, the Church pays dealy for what it does and does not do.

It cannot be discounted that the Church is high on the military's agenda. With the increasing radicalization of the Church's ranks, the military was kept busy not only with their intelligence operations but with propaganda as well. Not a few in the Church leadership have succumbed, rightly or wrongly, to the Communist bogey and sought to clear the ranks of what they though smelled red. There was a setback in social action programs, polarization within deepened. A horizontal and vertical wedge cut across the powerful Church, leaving many a believer frightened and confused.

In the meantime, many in the rank-and-file continued their conscientization work. Basic Christian Communities flourished and non-mandated church organizations, composed mainly of religious continued to sprout. A step ahead of their leaders, militant priests and religious sped on with their grassroots ministries. They joined workers, squatters, farmers and tribals, living a life style they have never experienced before.

In the meantime too, government leaders lost no time in trying to coopt Church leaders, openly or otherwise. They tried to endear themselves to church dignitaries. Cebu's late Julio Cardinal Rosales of the opulent life style was a known admirer of Imelda Marcos and vice-versa. The Marcoses sought the company of holy personages. In 1977, husband-and-wife team personally welcomed and helped Mother Teresa of Calcutta set up shop in the slums of Tondo. They gamely frolicked and sparred with Jaime Cardinal Sin's "critical collaboration" stance. Imelda continuously dogged Pope John Paul II's trail during the latter's visit in 1981. She often flew to Rome to seek the Pontiff's audience and last year, she, along with a coterie of hangers-on, unashamedly presided over preparations for the installation in the Vatican of the new Cardinal of Cebu who fortunately turned out to be quite different from his predecessors. The

Marcoses even got the blessings of the Maharishi group and American evangelist Jerry Falwell.

Maybe this worked. Silently, a few barefoot bishops continued waging a lonely war against injustice and human rights violations in the countrysides. Like Bishop Miguel Purugganan, for example who declared a black Christmas a few years back by suspending midnight masses in Isabela to protest injustice done to ANCA farmers. Away from the glare of media, several like him doggedly go on and get press coverage only when their houses get raided by the military or when their priests are arrested.

If the powerful CBCP appears inscrutable, it is because of its members' varied and divergent views on issues. They are exposed to different realities. Levels of awareness differ. Members act independently of each other. As Bishop Escaler says, "This is one of our strengths, but this is also one of our weaknesses."

Since the time the CBCP acquired juridical status in 1968 (it has existed since 1945 as the Catholic Welfare Organization) it has come out with more than 30 documents, more than half of which are pastoral letters.

As gauged from the documents they have issued, Dr. Richard Hardy who compiled and studied these documents, concluded that the CBCP has been functioning with two models of spirituality: the eschatological model (or heavenly) and the incarnational model. Says he: "For the most part, it is the eschatological model which has held sway since this is the one that most bishops are familiar with. It is also the one in our opinion which has continued (and perhaps even caused) the split level of Christianity of Filipinos. Being one which is versed totally on the idea of spiritual life being a life of the spirit, non-material life, it is the one which is almost completely unsuitable to the Filipino who is so rooted sa lupa, who has such a marvelous natural Asian quality of knowing that somehow the Transcendent lives in this life, in this world which He has created. The incarnational model takes this world seriously adn this is one which the Filipino can appreciate and identify with for it is totally open to inculturation.

"The very situation of the Philippines particularly in the last decade and most particularly in the last three years has forced the CBCP to truly come to grips with the context of inculturation. This has meant a more interested look at the incarnational model of spirituality."

The CBCP started issuing documents which had bearings on the political situation as early as 1970 (on the Constitutional Convention) but such types were far between. In 1975 the bishops came out with a statement on the referendum and in 1979 against violence.

In February 1983, the pastoral letter "Dialogue for Peace" addressed pressing issues--arrests and detentions, poverty, the economic crisis, multinational corporations and even lavish film festivals. They also came up with a "Message to the People of God" which tackled the dreaded Presidential Commitment Order (PCO), only to find the rug pulled from under their feet when Marcos delivered a well-timed coup de grace by abolishing the PCO two days before the reading of the letter in parishes, and in its stead Marcos came up with the equally dreaded Preventive Detention Action (PDA).

The 1984 letter "Let There be Life" tackled secret marshalls, Amendment 6 and the economic crisis. In the wake of the Aquino assassination, when the country teetered on the brink of chaos, the CBCP issued a statement on reconciliation, a word so conveniently used by those in power. But as the CBCP has perhaps by now realized, reconciliation between oppressor and oppressed remains an elusive shepherd's dream.

Prior to the February snap elections the CBCP released an exhortation "We Must Obey God Rather Than Men" calling on the faithful "not (to) passively surrender to the forces of evil and allow them to unilaterally determine the conduct and results of these elections." Cardinal Sin and the auxiliary bishops of Manila wrote one last December while Cardinal Vidal also issued one for his diocese. Several other bishops issued letters for their respective dioceses.

Coming out with the post election statement was not all that easy. As Bishop Antonio Fortich of Bacolod said during the first day of deliberations: "It is 90 degrees Fahrenheit." Closeted for one and half day at the CBCP complex in Intramuros, several times retreating in silence to pray and discern, the 66 bishops (of the more than 100, several of whom are retired) divided themselves into groups and presented their reports on the elections. NAMFREL's Jose Doncepcion, Vicente Jayme and Jose Feria also came to give reports. Not to be outdone, Imelda Marcos did a Nicodemus and came in the dead of night to reportedly convince the bishops not to come out with the statement. Ms. Aquino came too, two hours before the bishops' press conference to "assure Cardinal Midal of my non-violent course of action."

Outside the CBCP gates, around a hundred people picketed to show displeasure. Some of them did not know why they were picketing. Last Sunday there were "staged" walkouts in churches while the letter was being read. The government TV crew was not far behind to shoot. Labor Minister Blas Ople would later take issue with the bishops while COMELEC Chairman Victorino Savellano would stop going to church even as the Pope expressed confidence in the bishops' judgments. One thing was sure though--no one walked out of the CBCP conference contrary to what Marcos would later say at a press conference.

The handful of objecting bishops might not have had the statement read last Sunday, Escaler says. Still some bishops might supplement it with one of their own. "The statement is open-ended," he adds. When asked what he thought would be the repercussion on the Church, he says, "We could be accused of opening the doors to the Communists or that we are abetting a revolution. But with the new leadership in the CBCP there will be more of this (statement)."

There were two drafts to choose from. The bishops voted for the stronger one. Among the members of the drafting committee were Bishops Francisco Claver and Teodorico Bacani.

According to Escaler, four theologians helped in the drafting of the statement: They were Frs. Antonio Lambino and Pedro de Achutegui, both Jesuits, Fr. Fausto Gomez, of the Dominicans and Fr. Miranda of the SVDs. The Vatican of course was in the scene. Agostino Cardinal Casaroli, Vatican Secretary of State sent some guidelines which according to Escaler were more or less followed. Says he: "We were like tiptoeing on a tightrope. We had to be overcautious. But we cannot be overcautious at this time." He said he was going to have the letter translated into Visayan for his diocese.

While many bishops emerged from the conference beaming with satisfaction there were a few who reportedly abstained from voting fro the letter. "Don't ask me the names," says Escaler. "But there were three or four who kept putting up objections similar to the three or four who were entirely against. But it was all done in an open spirit. We said, look, you're not telling us we're liars but that is how we perceive the situation--there is enough basis. We were practically unanimous."

Bishop Julio X. Labayen of the Infanta Prelature says: "I don't think you can talk about unanimity in any bishop's conference today, but I can honestly--and there is no ground for any person to take exception--that the election was fraudulent."

A boycotter during the Batasang Pambansa elections in 1984, Labayen voted this time. "I accept the principle of boycott. I'm open. But the pulse of the people was my indicator, rather than just cold principles." Shifting into a jocular mood he says of a colleague: "Napasubo na si Sin. Now I wonder if he will Holy Communion to the First Couple when he says mass in Malacanang."

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CSO: 4200/770

BULLETIN TODAY ON UNIVERSAL VOTE OF 'NO CONFIDENCE'

Manila BULLETIN TODAY in English 22 Feb 86 p 6

[Commentary by Benedicto David: "Unique"]

[Text]

THIS is just about the first time in Philippine history that announced winners in presidential elections here were not showered with congratulatory messages from governments maintaining diplomatic relations with this country.

To our knowledge, only Moscow has congratulated the winners.

It may be the first time that ambassadors have trooped to the "loser" in the elections. And these include the European Economic Community (EEC) ambassadors and the Japanese ambassador.

All of this indicates that although the recent exercise was an "internal affair," quite a number of governments do not believe that the Filipino people's will was expressed by the Batasang Pambansa findings.

It also indicates that the Philippine government under the present dispensation would find itself isolated from the group of usually friendly countries who have been helping the government through various grants-in-aid and credit facilities.

It is rare for competing industrial states to act in unison in this manner.

The ploy of "shared" power is an impossibility. Neither side trusts the other. Besides, this would not be reflective of the will of the Filipino people. It is an idea hatched in Washington and should stay here.

There are quite a number of uncertainties plaguing the country and the government at this time. For the first time, for example, the people do not know who the chief of staff of the armed forces is. Ver's resignation and acceptance is virtually a carbon copy of President Marcos' post-dated resignation.

Under such a state of confusion, it would be difficult to really analyze anything — and this is the one thing that some people around the President are good at. They thrive on confusion.

World condemnation of the frauds committed here is all but universal.

And then, there is the very real danger that very serious doubts are emerging about the integrity (what's left of it) of the Philippine peso.

Obviously, the International Monetary Fund and the World Bank are taking very seriously the reports that peso bills have been found with identical serial numbers, indicating that the government may have printed up to three times the amount of peso bills it told these institutions it was printing.

That is one of the reasons the peso is collapsing against all foreign currencies, principally the US dollar.

There is currently a shortage of US dollars in the banks. The Central Bank has been limiting withdrawals of "green" and is at the moment not allowing airlines to remit ticket sales proceeds in dollars to their home offices. This will, of course, affect the standing of the Philippines in the travel/tourism world.

It boils down to a vote of "no confidence" in the last electoral results because of the obvious frauds and terrorism committed, not to mention murders, disappearances, rapes, mutilations and beheadings.

We do not expect anything drastic while Phillip Habib is here. We do not know what to expect once the boycott and civil disobedience campaigns spread.

One of the possibilities is another declaration of a state of emergency or martial law or whatever can be cooked up to legalize repressive actions.

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CSO: 4200/798

POST-ELECTION PROVINCIAL SITUATION REPORTED

Cebu Rejected Marcos Rule

Quezon City ANG PAHAYAGANG MALAYA in English 23 Feb 86 pp 1, 7

[Article by Larry Sipin]

[Text] Opposition groups and sectoral organizations in this province of three million people no longer recognize President Marcos as head of state.

The decision to reject the Marcos presidency was arrived at in a meeting the other night among opposition political parties and 12 sectoral groups representing a cross section of society.

Represented in the meeting were the Unido, Liberal Party, PDP-Laban, Panaghiusa, Pando Minnie, and various groups representing the religious, academic, professional, civic, and depressed area sectors.

Lawyer Clavell Asas Martinez, Unido provincial board member, who revealed details of the multi-sectoral meeting in an exclusive interview with MALAYA, said the people of Cebu recognize Corazon Aquino as president and former Sen. Salvador Laurel as vice-president.

Martinez said the local opposition will press for the establishment of a parallel government which the people of Cebu will support.

Aquino said in a noontime press conference at the Sacred Heart Center here shortly after meeting with local opposition ward leaders that there are no immediate plans for the establishment of a parallel government. She revealed, however, that committees whose heads would eventually be appointed to her Cabinet will be set up.

"We are ready to assume office as soon as Mr. Marcos goes," she said.

Leaders of the various groups also drew up a number of proposals for Aquino's program of non-violence protest, some of them bordering on the illegal.

In addition to adopting "in toto" the seven-point boycott program against crony-owned corporations outlined by Aquino in a victory rally last week at the Rizal Park, the Cebu opposition launched its own boycott of local enterprieses known to be owned or controlled by persons with close Malacanang connections.

The local boycott is concentrated on Cebu's "crony media"-the SUN STAR DAILY owned by Anos Fonacier, a known Ilocano crony; Radio station DYCU, which is said to be part of the business empire of Eduardo Cojuangco; DYLA, a station controlled by the Associated Labor Union headed by pro-Marcos labor leader Democrito Mendoza; DYKC, a part of Ambassador Roberto Benedicto's media network, and the local relay station of Channels 4 and 9.

The Cebu boycott is also directed against Cebu Plaza and the Tambuli and Argao resorts also reportedly owned by Fonacier, sugar mills of former congressman Ramon Durano, United Laboratories products, among them biogesic, tylenol, alaxan, myracof, useran, and medicol, and Unichem products.

The opposition groups presented their proposals to Aquino and Laurel who arrived here yesterday to hold a "kadaungan sa nusod" (victory of the people), their first sortie outside Luzon since the Feb. 7 snap election.

As of presstime, a rally was in progress at Fuente Osmena, in uptown Cebu.

During the press conference, Aquino said she will adopt a protest proposal of the political parties and the sectoral groups.

Laurel, in an address to "Doctors for Democracy" at the Casino Espanol here, said civil disobedience is only phase one of a series of actions geared at pressuring Mr. Marcos to bow to the people's mandate. He added the Filipino people are supported in their fight to claim rightful victory in the election by the church, the international community, and even by the many sectors of the military.

Aside from the boycott of local crony-owned media and business enterprises, the Cebu oppositionists also vowed to pursue the following protest actions.

o boycott of classes on all levels starting Feb. 26 up to the end of the semester. This was proposed by leaders of the academic community and student groups.

o non-payment of business taxes under a collusion of taxpayers and businessmen.

Under this scheme, consumers will not demand for receipts for purchases so as to enable both the buying public and entrepreneurs to evade taxes.

o continuing pickets at the local offices of the Bureau of Internal Revenue and the Bureau of Customs to paralyze the collection efforts.

- exert pressure, through lettters, manifestors, position papers, and other forms of communication for foreign governments not to recognize the Marcos administration.

At the press conference Aquino said the Opposition will adopt four radical protests actions after three months should the present preliminary approaches fail to convince the president to step down.

She stressed, however, that while the protest action will take stronger form, they will be expressed peacefully. "I intend to pursue non-violent measures to the very end," she vowed.

She stood firm by her earlier stand that she will not enter into any compromise with the Marcos government.

Both Aquino and Larul said they will never cooperate and will never accept any position in the Marcos administration - a suggestion made by Marcos when he invited oppostion leaders to sit in the proposed Council of State.

Expressing that nothing less than an Aquino presidency will satisfy the people, she said the program of civil disobedience will continue until Marcos resigns. "We will not deem our efforts successful until he resigns," she said.

Misamis Provisional Government

Manila BULLETIN TODAY in English 26 Feb 86 p 6

[Article: "New Gov't Eyed--Misamis Row Looms"]

[Text] The opposition leaders in this city said yesterday that they have agreed to form a provisional goverment for Misamis Oriental.

The disclosure comes as loyalists of President Marcos were reported to be seeking authority from the President to take over the administrative function of the opposition-led city government here.

Jesus Valleser, the city government's spokesman, said that local opposition leaders were mapping out plans on how to install a new provincial government.

Among those mentioned as candidates to take over the post of Gov. Fernando Pacana Jr. are Tagoloan Mayor Vicente Y. Emano, provincial board member Teddy Cabelte and laywer Guerrero Adaza.

On the other hand, Pacana said that the Marcos supporters plan to take over City Hall came in the wake of reports that local government personnel were being forced by the opposition to go on mass leave of absence, raising fears of a breakdown of peace and order condition should the city government is abandoned.

Earlier, the Sangguniang Panlunsod passed a resolution recognizing the provisional government headed by President Corazon Aquino.

The opposition leaders and their supporters were set last night to dance and revel in streets all over the city to celebrate the victory of Mrs. Aquino.

At Camp Evangelista, Brig. Gen. Madrino Munoz, commander of the Army's fourth infantry division and a Marcos loyalist, announced over local radio and TV stations that he was to enforce starting last night the curfew imposed by Mr. Marcos with or without the support of the regional and local Constabulary officials who are identified with Defense Minister Juan Ponce Enrile and Gen. Fidel V. Ramos.

From the PN-INP provincial headquarters, Col. Cesar C. Manaig, provincial commander, however, said that he will leave to Gen. Munoz the enforcement of curfew until he gets the proper order form Brig. Gen. Benjamin Ignacio, regional PC-INP commander.

Students of local collages said they will not honor the curfew "as it is impractical since many classes in the city end at 9 p.m."

/13104
CSO: 4200/798

DAVAO QUIET, REACTION TO MARCOS PROCLAMATION VIEWED

Quezon City VERITAS in English 23 Feb 86 p 20

[Article by Carolyn O. Arguillas: "Reaction to Marcos Proclamation: Forlorn Acceptance to Active Resistance"]

[Text] Lenie, 24, a student, swears she will join the NPA if her candidate, Corazon C. Aquino, will not be proclaimed president. Before the election, Leni prayed for a Marcos defeat for a reason that most street parliamentarians would find outrageous: she idolozes teen pop singer Pops Fernandez; hates Sharon Cuneta and her father Pasay Mayor Pablo Cuneta and hates the KBL for having a man like Mayor Cuneta sire daughters like Sharon.

The elections, however, snapped her out of her "Pops is the only superstar" dream world; she now has national interest at heart. On election day, she volunteered her services to the Operasyon Laban sa Mandaraya [Fight Against Fraud]. When the results were announced she remained glued to the television set with a tally sheet, applauding everytime Cory led in the counting. Today she is more concerned about whether or not Cory will be proclaimed and Cory is in her mind more often now than Pops.

"Dili gain ma-proclaim si Cory, mag NPA na gyud ako," ("If Cory won't be proclaimed, I'll really join the NPA,") she vowed.

Manang Talia, 68, a retired government employee, used to scoff at nuns and the others who marched in the streets, convinced that she was just being sensible, that the parliament of the streets was just a "noisemaker." She has bought a wide-brimmed hat which she said, she would wear for the forthcoming marches. She, too, even in her advanced age, does not dismiss the idea of joining the NPA, if marching in the streets fails to overthrow Marcos. Manang Talia voted for Cory.

Jun, 27, when asked what he would do if Cory is not proclaimed winner, replied he would join protest rallies and participate in civil disobedience campaign although a brother of his butted in "Giyera na dapat."["There should be war."]

Another said, "If there are NPA terrorists around, I'll join them."

While there are a number who said they would join the NPA if Cory is not proclaimed winner, there are those who have conceded defeat. Boy, 25, a waiter said "wa tay mahimo kay ilahang gobierno karon." ("We can't do anything because they control the government now").

Alice, 34 a vendor, who stays at Rizal Park for the OQC and who applauded when Cory's votes were more than Marcos' merely shrugged "wa ta mahimo" (we can't do anything).

Citzens' reactions in Davao City over a Marcos proclamation ranged from forlorn acceptance to active resistance.

A militant student leader who boycotted the election offered Veritas this projection: "Yung mga walang pakialam noon, magmamarcha na ngayon. Yung mga nang-mamarcha na noon, aakyat na ng bundok ngayon kasi sawa na sila sa kamamarcha. Yung mga nagmamarcha ngayon pag sawa na sila aakyat na rin yart sa bundok. Tama pa rin ang boycott pero para sa nag-participate magandang learning process. Naintindihan na rin nila na Marcos is not the only problem but the US is as well." [Those people who did not have any involvement will join demonstrations now. Those who were marching then will go to the hills now because they are fed up with demonstrations. Among those who had been marching, once they get fed up will go to the hills. The boycott [the post-election boycott of "crony" businesses by the pro-Aquino groups] is really good, but for those who participate it is a learning process. So they understand it too, that Marcos is not the only problem but the U.S. is as well."]

Former mayor Luis T. Santos, spokesman of the Coalesced Opposition, viewed the situation as one that would require the concerted efforts of the opposition nationwide. "The momentum gained must continue because if the enthusiasm wanes, it would mean the collapse of the resistance and that is what Marcos is praying for," Santos told Vertias. Santos believes there would be reprisals, adding that this election had convinced a lot of people that Marcos won't yield his power through peaceful means.

"Marcos has closed all avenues for peaceful change," the former Mayor said.

In a press conference, a radio announced asked a man and a priest to comment on Leonardo Perez's statement that despite the prayer of the religious, God didn't answer their prayer. The nun replied, "God has his reasons," while the priest answered "God will answer the prayer. There is more conscientization now, more awareness that there was about the regime even more since the Aquino assassination."

A military officer of the regional unified command who asked not to be identified summed up the post-election review, thus: "It is a no-win situation." The officer, who voted for Marcos, emphasized the situation is a "no-win for the Filipino people," adding that the tension must be diffused and the citizenry must await the final proclamation by the Batasan.

But if the post-election tension is more pronounced in Metro Manila there is, despite post-election debates, an uneasy quiet in Davao city, which only last year was dubbed "Murder City" and is the government acknowledged "CPP-NPA laboratory."

Except for a victory motorcade launched by the Coalesced Opposition two days after the election day and an indignation rally to protest electoral fraud and human rights violation sponsored by BAYAN-Davao on February 15, no other mass action has occurred, no military-NPA encounters has been reported although the military is still on red alert.

Last week, coffee shops, offices and schools buzzed with rumors about some ships of the US Seventh Fleet seen at berth off the Samal Islands. Coastguard sources told Veritas they have not received reports about their presence and that if the Seventh Fleet were on a "special mission," it would probably not have anchored off Samal and risked being seen. Veritas along with some media men scoured the area for eight hours on a motor boat and found no evidence of the fleet. A resident remarked, "that might just be a trial balloon to gauge the reaction of the citizenry." If it were a trial balloon, however, it somehow succeeded in reinforcing the idea of "war" in the minds of the Davaoenos. When told there was no ship found on Samal, the others insisted "submarine siguro".

There is yet another institution which has lately set up an office in Davao City and which has the Davaoenos asking: "Is this an anticipation of war or an evacuation?": The presence of the International Committee of the Red Cross. The office, housed in one of the rooms at Insular Hotel, was set up according to hotel sources on Jan. 16. There are five in its staff "all Swiss", the sources said "but the others are in Cagayan Zamboanga." On Sat, Feb. 16, reporters proceeded to insular where three ICRC vehicles were parked and requested an interview. Dr. Patrice Holzer, medical coordinator for the Philippines, agreed to grant media men an interview as soon as the Dissemination delegates and the Philippines delegation head arrive. The two were expected to arrive Feb. 16.

If there is anything more that baffles Davaoenos and military authorities, it is the quiet on the "battlefront." A military officer describes it as "like the lull before the storm."

Caught in the eye of the anticipated "storm" are the Aquino supporters who are only awaiting the go signal for the civil disobedience campaign and the KBL supporters who are now getting restless (Marcos lost to Aquino in Davao city by 23,000 votes; Tolentino won by 314 votes.)

/9274
CSO: 4200/773

WEEKLY COMPARES PHILIPPINES, EL SALVADOR SITUATION

Quezon City VERITAS in English 23 Feb 86 pp 18-19

[Excerpt] Writing about American foreign policy in her book The March of Folly, author Barbara Tuchman argues that monumental blunders--as in the case of U.S. policy in Vietnam--were direct consequences of the misguided attitudes and intentions of American policymakers. In most cases those costly blunders involving American foreign policy sprang from a fallacious notion Americans had about themselves as guardians of democracy and protectors of freedom, especially the "freedom" of Third World countries. In the name of democracy, America has time and again intervened in the affairs of other nations. Nowhere has this been more obvious and controversial as in the Vietnam war and in the wars now raging in several countries of Central America.

Perhaps because of its proximity to the Philippines, Vietnam comes to the minds of most Filipinos who try to gain deeper insight into the nature of the crisis the country is now going through. On closer look, however, there are few similarities in the history of the conflict that Vietnam has only recently resolved, and the problem plaguing the Philippines today. For one, it is highly unlikely that the Philippines will ever be geographically partitioned to accommodate the warring factions as happened in Vietnam.

It is in the conflict now raging in Central America where one may find uncanny parallels to the current situation in the Philippines. The story of El Salvador reads like contemporary Philippine history on fast forward. The parallel course taken by the histories of the two countries has reached a point so frightening that observers warn that an El Salvador in Southeast Asia could be created unless the course of events in the Philippines makes a drastic turnabout.

/9274
CSO: 4200/770

MALAYA EXAMINES PROPERTY CLAIMS OF RETURNING EXILES

HK040846 Quezon City ANG PAHAYAGANG MALAYA in English 26 Feb 86 p 7

[Text] The Lopez family has laid claim to the broadcast facilities now run by the newly-proclaimed government of Mrs Corazon Aquino, a move that could trigger similar claims by other pre-martial magnates stripped of their properties during the 14-year authoritarian rule of Mr Marcos.

Barely a couple of minutes after Channel 4 opened its broadcast under the control of pro-Aquino groups, a letter from the Lopez family was read on the air, claiming ownership of the former ABS-CBN complex.

The Lopezes also owned Manila Electric Co, [Meralco] which provides electric service to Metro Manila and nearby provinces. It could not be determined if the Lopezes also wanted the power utility back.

Meralco at present is run by a shadowy organization, Meralco Foundation, owned by Meralco customers in paper but controlled also by Romualdez.

The letter, in part said the Lopez family was "lending" the facilities to the cause of Mrs Aquino, Defense Minister Juan Ponce Enrile and newly-designated chief of staff Gen Fidel Ramos.

The facilities form part of the broadcast center complex run by Office of Media Affairs headed by Gregorio Cendana, a member of Marcos' government.

Millions of taxpayers' money was poured into the broadcast center to upgrade its facilities during Marcos' rule. It has served as a government propaganda organ during these past years.

The broadcast station was seized by forces loyal to Mrs Aquino under the command of ex-director of the Land Transportation Commission Mariano Santiago, a former colonel who resigned his commission before the election to campaign for the opposition presidential bet and running mate Salvador Laurel.

ABS-CBN, along with the newspaper MANILA CHRONICLE, was the flagship in the Lopez family's media empire, the biggest in the country.

It was taken over by the Marcos martial law government, and its facilities later were used by the Kanlaon Broadcasting System [KBS] of Marcos' businessman-friend Ambassador Roberto Benedicto.

The Lopezes claimed the KBS group used the facilities of ABS-CBN without compensation for years until KBS was able to put up its own broadcast center in Old Balara Diliman, Quezon city.

Another Lopez property, the MANILA CHRONICLE publishing plant in Pasig was taken over by Ambassador Benjamin "Kokoy Romualdez to put up the TIMES JOURNAL newspaper. The JOURNAL ran the printing plant to obsolescence and later put up its own presses in Port Area, Manila.

Another big business seized by the Marcos government was the complex of industrial companies owned by the Jacinto family.

Illigan Integrated Steel Mill, the biggest Jacinto enterprise, was sequestered by the martial law administration. The steel concern was broken up, with the National Development Corp, taking over the steel-making plants. Marco-designated military officials still run the galvanizing plant of Mindanao Steel Corp, and a couple of small service companies.

/8918
CSO: 4200/771

COMMUNISTS SPLIT OVER ATTITUDE TOWARD AQUINO

PM051351 Paris LE MONDE in French 5 Mar 86 p 6

[Dispatch by Philippe Pons: "The Communists' Hesitations"]

[Excerpts] Manila--The Communists, whose armed insurrection has spread to most Philippine provinces in the past few years, now look like the poor relations of the people's movement which led to the Marcos regime's fall, and they are wondering what attitude to adopt toward the new government.

Some members of the Communist Party make no secret of the fact in private that they made a "wrong" analysis of the situation when they called for a boycott of the 7 February election which they regarded as another "sham election" and are now in favor of "critical cooperation" with Mrs Aquino. Others, however, state that "the armed struggle should be continued" and that the Aquino government presents the same basic problems as the Marcos regime although the latter has been overthrown.

Initially the Communists seem to be moving toward an attitude of "critical and vigilant cooperation" with Mrs Aquino's government. "We want to keep our distance, not attack Mrs Aquino herself because she has opened up areas of democracy, but we distrust those around her," a Communist Party member told us. This attitude reflects that of Jose-Maria Sison who no longer has an active role within the Central Committee (he was arrested in November 1977) but who probably still has a moral influence on his comrades in the struggles. According to Mrs Aquino's entourage it is not impossible that he might act as a mediator with those still free.

The National Democratic Front seems to want to take advantage of the period of tolerance and openness toward the communists to carry out "the task of political action, mobilization, and organization of the masses with a view to counterbalancing the interests of the elite and the military who are represented in this government while exerting pressure on Mrs Aquino to ensure that she keeps her promises," one of its members told us. "We are not questioning the new president's positions in advance," [National Democratic Front leadership member] Father de Torre said, "and we are going to make a number of specific demands. We will see how she responds to them."

Both the organizations close to the Communist Party, like the National Democratic Front, and Bayan, some of whose members are also linked to the Communists, but which is a legal federation of organizations, seem to want to cooperate with Mrs Aquino's government initially. "It is too soon to judge this government which has been in office for less than 1 week," Lean Alejandro, Bayan's young secretary general, told us adding: "The Filipinos voted for Cory Aquino because they wanted change. If they do not obtain it, they will take to the streets. But for the time being we must give Cory a chance."

/9604
CSO: 4219/30

JAPAN LOAN TO COVER CAR PACKS, COMPONENTS

Manila BUSINESS DAY in English 4 Feb 86 p 2

[Article by Daniel C. Yu: "Car Pack Imports Now Covered by Japanese Commodity Loan"]

[Text] The Overseas Economic Cooperation Fund (OECF) of Japan has agreed to put automotive components, including completely knocked-down (CKD) car packs, in the list of Philippine imports that can be financed by the $82.4-million commodity loan under the 13th yen package.

The Philippines has been negotiating with Japan for the inclusions of CKD packs in the list following representations made by local car companies.

The inclusion of automotive components under the commodity loan is expected to benefit the remaining two participants in the government-sponsored progressive car manufacturing program (PCMP).

Both Canlubang Automotive Resources Corp. (CARCO) and Pilipinas Nissan, Inc. (PNI) have petitioned the government to negotiate with Japan to widen the coverage of the OECF loan to cover car components.

The $82.4-million commodity loan is part of the $250-million total loan package which the Philippines will receive from Japan for this year. Japan has been extending the soft-term credit facility to the Philippines annually since 1971.

For the 12th yen package last year, the Philippines negotiated the inclusion of CKD truck packs. Japan approved an allocation of $17 million for such importation.

Availment. The inclusion of CKD car packs is in line with government efforts to speed up the availment of the OECF soft-term credit facility.

In the past years, the Philippines failed to fully utilize the facility primarily because of the limited coverage of the credit line and its high cost compared to other sources of funding.

Under the 13th yen package hoever, the Philippines succeeded in getting more commodities included. The government also convinced Japan to lower the cost of financing and to scrap the 2 percent spread the Central Bank was charging borrowers.

The inclusion of CKD car packs is expected to boost availment of the soft-term credit facility of the OECF since car firms have been experiencing difficulties in generating enough foreign exchange to meet their import requirements.

Prior to the foreign exchange crisis, participants in the PCMP were allocated as much as $100 million annually to meet their importation of CKD packs and spare parts.

The importation of CKD packs however, in the last years, has dropped significantly causing at least three of the five original members of the PCMP to close shop.

The export credits generated by the car firms from their export activities have not been enough to meet their import requirements, forcing the car companies to slow down production.

CARCO and PNI are producing a total of 400 units monthly between themselves and their domestic production is dictated by the export credits they generate.

CARCO, through the Asian Transmission Corp., exports only $4.5 million annually while PNI last year exported only $400,000 worth of products. The credits they generate are not enough to allow the two firms to operate at full capacity.

Under the 13th yen package, a total of 108 items have been included for financing aside from the 200 items already covered under previous commodity loans.

The commodity loan has an effective disbursement period of two years and carries an interest rate of only 3.5% annually.

/9274
CSO: 4200/784

FISHING INDUSTRY RANKS AMONG WORLD'S TOP TEN

Manila BULLETIN TODAY in English 16 Feb 86 p 23

[Text] The Philippines has been ranked among the top 10 fish producers in the world with output accounting for more than five percent of the country's gross domestic product (GDP).

With fish production valued at more than $1.2 billion annually, the Philippines is among six developing Asian countries in the top 10 that include China, India, South Korea, Indonesia, and Thailand.

The top two fishing nations are Japan and the Soviet Union.

A study by the Asian Development Bank noted that fisheries production as a percentage of GDP was generally less than one percent in most countries of the world.

In fact, it noted that there are only three nations where fisheries provide a major share of the GDP.

These are Maldives with a fisheries output equivalent to 31.8 percent of GDNP, Iceland with 11.3 percent and Cape Verde Islands, 9.8 percent.

The Philippines is among six countries where fish production accounts for more than 4 percent of GDP. They include Burma, Senegal, Bangladesh, Malaysia and Seychelles.

The same study reported that the world's five largest fish importers were Japan, the US, France, Britain and Germany.

As of 1984, the major exporters by order of ranking were Canada, the US, Japan, Norway, and Denmark. Also mentioned as major importers from the Third World were Ivory Coast, Nigeria, Hong Kong, Singapore, Malaysia and Taiwan. Identified as substantial exporters were Chile, Ecuador, Indonesia, South Korea, Mexico, Peru, China and Thailand.

Because of the important role of fisheries development in the economy of its member countries, the ADB said that it was expanding its loan portfolio for the sector.

/9274
CSO: 4200/784

PHILIPPINES

SAVANTS CALL FOR MAJOR SOCIAL SYSTEM OVERHAUL

Quezon CITY ANG PAHAYAGANG MALAYA in English 24 Feb 86 p 7

[Article: "Piecemeal Reforms Won't Do--Savants Outline Economic Defects"]

[Text] The country's economic problems are so deeply-rooted in history that it would take a major overhaul of the social system to solve them.

Two economists from the University of the Philippines said at the recent Edgar Jopson Memorial Lectures that the current deep recession is just a manifestation of the structural defects of the economy.

Dr. Joseph Lim of the UP School of Economics said these defects have not been tackled by any post-war government, hinting that any post-Marcos government should concentrate on correcting them.

Professor Ricardo Ferrer, also of the School of Economics, said a combination of modern and pre-modern economic and social arrangements is responsible for the country's underdevelopment.

The Jopson Memorial Lectures was organized by the Interdisciplinary Forum of UP to honor the late student leader. Jopson was killed by the military in September 1982.

Lim said the three fundamental defects of the economy are, a) dependence on foreign countries, b) lopsided distribution of income and wealth, and c) exercise of political power by a few to secure economic gains.

He said the economy is dependent on imported capital equipment, imported raw materials for manufactures and imported technology.

This is the main reason for the country's perennial balance of payments problems. Attempts to solve the problem of scarcity of foreign exchange have only led to increasing foreign control of the economy, he said.

On unequal wealth, Lim said this is the reason for the lack of market for local industries. He estimated that 10 per cent of the population controls 40 per cent of the wealth.

"Income redistribution – particularly through land reform and increases in the real wages in the urban areas – will develop a dynamic market and spur production," he said.

Lim said the problems of crony capitalism, graft and corruption are all related to the problem of politics.

"Productivity and efficiency becomes irrelevant as efforts are being channeled into making the right political and business connections.

"The result in a chaotic economy where even the capitalist rules of accumulation, competition and free markets are ignored," He said.

Ferrer said these problems could not be solved until new social arrangements are in place, particularly those governing the relationship between the property-less and the property owners.

/13104
CSO: 4200/798

PHILIPPINES

NPA KIDNAPS AUSTRALIAN BUSINESSMAN IN MINDANAO

Melbourne THE AGE in English 4 Jan 86 p 1

[Article by Michael Richardson]

[Text]

SINGAPORE, 3 Jan. — An Australian businessman has been captured by communist guerillas. It is the first reported kidnapping of a foreigner in the Philippines by the communist New People's Army.

An Australian vice-consul yesterday flew to Misamis Oriental province in the southern Philippines, where the abduction occurred, to find out more details. He is due back in Manila tonight to make his report.

Sources in Manila familiar with the case told 'The Age' today that the guerillas had admitted responsibility for the kidnapping of Loui Anton Bond, a Belgian-born Australian, but said they were seeking publicity for their cause, not a ransom.

An Australian Embassy spokesman confirmed that Mr Bond, 57, who is believed to be part-owner with several Filipinos of a mining company in Misamis Oriental, had been kidnapped.

The spokesman said passport records showed he had been in the Philippines since at least September 1980. His last passport was issued in Brisbane.

Mr Bond was apparently travelling to his mine outside Cagayan de Oro, the provincial capital of Misamis Oriental, when he was seized on 20 December. Brigadier-General Madrino Munoz, the regional military commander, said late last month that Mr Bond had been kidnapped by three NPA guerillas at Tagilmao, about 15 kilometres from the city.

In a report to General Fabian Ver, Chief of Staff of the armed forces, he described Mr Bond as a Belgian engineer. It was only when the Australian Embassy received a tip-off last Monday that Mr Bond was an Australian that his true nationality was discovered.

It is not clear whether Mr Bond was kidnapped at random or chosen because he was an Australian or a representative of foreign business interests.

A group of Australian aid workers on Samar Island in the central Philippines were "lectured" by armed NPA guerillas for several hours last year. The incident prompted the Federal Government to withdraw all resident Australian technicians from a project they were working on.

Australia is involved in a road project on the Zamboanga Peninsula on the island. The project has been stongly opposed by critics of the Marcos regime for allowing the military access to remote areas to fight the NPA.

However a spokesman for the Department of Foreign Affairs said there was no link between the road project and the kidnapping.

The Philippine military says the kidnapping may mark a significant intensification of NPA insurgency.

Nervous businessmen and investors in the Philippines, both foreign and local, fear the Bond abduction may mark the start of a stepped-up communist intimidation campaign against "capitalists".

/13104
CSO: 5600/4345

PHILIPPINES

VISAYAS MAYOR 'CONFUSED' OVER MNLF LETTER

Cebu City VISAYAN HERALD in English 11 Jan 86 pp 1, 4

[Text] The municipal mayor of a northern town has received a threatening letter allegedly from the MNLF directing him to vacate his residence as soon as possible.

In an interview with VISAYAN HERALD, Consolacion Mayor Emmanuel Pepito bared that the letter was delivered at 9 a.m. the other day to the health center of their town. As it was addressed to him, the sanitary inspector brought the letter to him. The inspector described the letter carrier, a female, as about 40 years old, fair and slit-eyed. She reportedly boarded a maroon-colored Willy's jeep after handing over the letter. The vehicle headed for north.

Pepito said the letter writer urged for him to transfer to the Vergara residence about 25 kilometers from Consolacion town "for a house arrest." The letter was signed MNLF was written on old stationary of Col Zosimo Angan when he was still with R2. [sentence as published]

"I'm confused what kind of persons are these," Pepito said. He bared that he has no knowledge of any teachins being done in their locality and that he cannot tell if these persons are really NPAs. He added that he did not know of any Vergara residence.

He believed that this is just to neutralize his campaign activities for the administration. Pepito admitted he has been very active in his campaign.

He revealed that lately, his leaders have grown apprehensive of their lives. There were incidents, he said, when about five bare-footed persons or more, carrying long fire arms, knocked the doors of his leaders in the middle of the night. When they opened their doors the armed men said "mobotar gani mo ni Marcos, ratav gyod mo," and left immediately.

Pepito said he really has no idea about the real motive of the letter sender. He bared, however, that all he can do is to provide himself and his family with some form of security, adding that in conscience, he has not done anybody an injustice, nor has he done anything wrong in the exercise of his duty. (LS)

/6091
CSO: 5600/4346

INSURGENTS EXECUTE ANTIGOVERNMENT FARMERS 'DEFECTOR'

Cebu City SUN STAR DAILY in English 14 Jan 86 p 13

[Text] An alleged member of an anti-government farmer's group in the hinterlands of Toledo City who recently defected to the Government was executed last week by Communist terrorists, the military reported yesterday.

PC Cebu Commander Lt. Col. Jewel Canson identified the farmer from a sketchy report made by Task Group Morning Star head Major Salvador Gultiano as Rogelio Labarejos, 26, a member of Kakasama in Malingin, Balamban.

He was killed in the house of his brother on Jan. 9 in sitio Hinatugan, Pangamihan, Toledo City where he sought sanctuary after he cooperated with the military, the report said.

Executed

Labarejos, Gultiano's report said, was supposed to disclose activities of the Kakasama.

Witnesses related to Gultiano the farmer was cooking in the house of his brother when executed by members of the Bagong Hukbo ng Bayan (BHB), the report said.

The same witnesses had earlier reported to the task group that the Communist insurgents were seeking Labarejos after learning of his defection.

Persuade

The witnesses, whose identities are withheld by the military, said the BHB armed band tried to persuade the farmer into rejoining them but Labarejos reportedly refused.

He was shot, according to the same witnesses, with caliber .30 rifles.

The insurgents warned other members of the household not to report the killing, the report said.

Canson said he had ordered Gultiano to investigate the killing and to check on the presence of the insurgents in the area. LSE III

/6091
CSO: 5600/4346

BRIEFS

SUPREME SOVIET PRESIDIUM CONGRATULATES AQUINO--To Her Excellency Mrs Corazon Aquino, president of the Republic of the Philippines: Accept, Your Excellency, congratulations on your assumption of office as president of the Republic of the Philippines. We hope that the friendly relations between our two countries will continue to develop for the good of the Soviet and Philippine peoples and in the interests of universal peace and international security. [Text] [Moscow IZVESTIYA in Russian 1 Mar 86 Edition p 1 PM] /8918

APPELLATE JUSTICES RESIGN--Some 23 of the 38 justices of the intermediate Appellate Court headed by presiding Justice Ramon Gabriola Jr, tendered their resignations yesterday but were told to stay in office until their replacements or reappointments have been decided. Speaking to President Aquino, Gabriola said other justices who did not join in the mass resignation due to time conflicts were also ready to tender their resignations. He added that the Appellate Court supports the Aquino government. The president thanked Gabriola for his action and said the justices' resignations could signal the start of similar resignations in the judiciary which are needed to make a fresh start. The president demanded the resignation of appointees in the civilian government, starting with the judiciary, in line with her clean-up drive in the government. It has been learned that some members of the Appellate Court will retire in a few days, others in 3 years. Some are qualified for optional retirement, while others have not reached the mandatory age for retirement. On the other hand, members of the Supreme Court continued to resist demands for resignation. The members are targets of criticism for being responsible for keeping the Marcos regime in power. So far, only Justice Nestor Alampay has tendered his courtesy resignation. [Text] [Dagupan City DZDL Radio in Tagalog 0445 GMT 5 Mar 86 HK] /8918

CSO: 4211/34

DEPUTY LEADER MAY SPLIT FROM TNP

Bangkok THE NATION in English 11 Feb 86 p 5

[Text] DEPUTY Chat Thai leader Thavich Klinprathum admitted yesterday that he was contemplating a breakaway from the Chat Thai Party to form a new political party for the next general elections.

But Thavich said he had not made up his mind over the matter.

"I am only toying with the idea in my talks with Col Narong Kittikachorn. People should not jump to the conclusion that I will definitely leave the party. I am now still loyal to Chat Thai Party," he said.

Col Narong, as Ayudhya MP of the same party, had earlier said that he and some Chat Thai MPs might defect from Chat Thai to form a new party.

Thavich made the statement after Chat Thai leader Maj Gen Pramarn Adireksarn circulated letters to all party MPs asking them to confirm their membership with the party before Feb 28. He said in the circulars that the party had to know who would continue to stay on as preparations for the next general elections were being made. Pramarn also said that the political situation was volatile and the prospect of a House dissolution to make way for snap general elections could not be ruled out.

Referring to reasons behind his idea to form a new party Thavich said the party had yet to improve on its structure. "Our party system is a centralized one in which all the powers are in the hand of only one person. We should decentralize the powers by dividing MPs into many groups comprising 10 MPs each and the MPs in each group will elect their own leader. This is a way to promote democracy in the party," he said. He raised objection to a resolution by Chat Thai executives who decided recently that the party should file a no-confidence motion against Prime Minister Prem Tinsulanonda.

He also said he disagreed to the alternative approach that the no-confidence motion should be filed against Finance Minister Sommai Hoontrakool alone.

"It won't work whether it is aimed at the premier or the finance minister when the Houses reconvene. But I will certainly abide by a party resolution on the question," he said.

/13104
CSO: 4200/797

THAILAND

NARONG CRUSHES RUMOR OF QUITTING TNP

Bangkok THE NATION in English 14 Feb 86 p 3

[Text] AYUDHYA MP Col Narong Kittikachorn said yesterday he would retain his Chat Thai Party membership until the parliamentary term expires next year.

Narong, currently a member of the party's executive committee, denied earlier reports that he would leave Chat Thai soon in protest against the party's failure to play a proper role as an opposition party. "I'l never leave the party before 1987, the year when the present term of Parliament ends," he said.

Narong also lashed out at Chat Thai leader Maj Gen Pramarn who recently flashed out circulations to all Chat Thai lawmakers, asking them to confirm whether or not to run in the next general elections under Chat Thai ticket.

"His action is absolutely useless. It just serves to widen rifts within the party," he charged.

The disgruntled MP said a meeting of some MPs from both opposition and government blocs will be held at his residence on Sunday to map out guidelines for the establishment of a new political party.

Meanwhile, Chat Thai deputy leader Thavich Klinprathum said yesterday he has already received a copy of Pramarn's circulars and would inform Pramarn of his intention to stay with the party until the House of Representatives completes its term.

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CSO: 4200/797

UBON VILLAGERS FEAR RAIDS BY LAOTIAN TROOPS

Bangkok BANGKOK TIMES in English 11 Feb 86 p 3

[Text] Khemmarat — Villagers have built bunkers near their homes for fear of Laotian attacks following the February 1 cross-border foray in which five villagers were killed and five wounded.

Since the attack on Ban Na Muang, a Border Patrol Police platoon has been deployed to protect the community, which has been depleted because some villagers have taken refuge further inland with relatives.

Mrs Term Ubon, who survived the attack, said: "I am terribly scared. I don't know when the Laotian troops will return again."

Between 15-20 Laotian troops took part in the 20-minute raid on the Ubon Ratchathani village, which has a population of about 1,300, and comprises 185 houses. The attack centred on three houses in the village on the Mekong River where Laotians were thought to be taking refuge.

Village headman See Paha said: "None of us had adequate weapons to put up a fight against the Laotian troops." He said he would ask the Government to provide the village with weapons.

Local officials say the raid was not the first, and similar attacks could not be ruled out because of a shortage of troops to guard the border. They cited the constant influx of Laotian refugees as evidence of lax security.

The officials told the *Bangkok Post* that in November, Laotian forces crossed the border to attack a refugee camp, killing about 25 people. The camp was dismantled and the survivng refugees moved to a safer shelter.

The Foreign Ministry responded to the village attack with a protest note to Vientiane, condemning the "murderous act" perpetrated by Laotian forces.

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THAILAND

PROFILE OF GENERAL IN CHARGE OF ANTI-CPM EFFORTS IN SOUTH

Bangkok THE NATION in English 23 Feb 86 p 10

[Text] **"TO win people's hearts by providing security to life and property is the key to overwhelming the insurgents. However, continuous military campaigns are also needed," says Maj Gen Kitti Rattanachaya, a military officer who has been involved in the Thai-Malaysian common border problem — the Communist Party of Malaya (CPM) — for several years.**

After being appointed the new commander of the Fifth Army Division in October last year, Kitti holds direct responsibility for cooperaton with the Malaysian forces in this year's anti-CPM joint military campaign of the two neighbouring countries.

Kitti told *The Nation* the government should not regard the CPM insurgents the same way it does the Vietnamese and the Kampuchean intruders on the Thai eastern frontier because the insurgents are deep-rooted on the Thai soil in the southernmost border areas with Malaysia.

He said the combination of a military drive against the CPM guerrillas and development projects in the areas under the CPM influence "would eliminate 80 per cent of the CPM problem in the south." However, the army should also play an important role in the development projects, he added.

"No private sector company will dare to do such a job as constructing a road into a fallen CPM stronghold which is riddled by booby traps. So the engineering soldiers have to take care of this task," said the 50-year-old commander.

Born in the southern province of Surat Thani, where insurgents of the Communist Party of Thailand (CPT) were once very active, Kitti has dark complexion and a thick moustache as do most of his hometown natives. He looks like a Malaysian and has been teased about this by his colleagues.

Kitti graduated from the Chullachomklao Military Academy's Class 8 and several of his class-mates, including Secretary of the Army Maj Gen Naruedol Dejpradiyuth, are currently key officers in the Royal Thai Armed Forces. He also has been through the Armed Forces Staff College and spent a year fighting the communists in Vietnam.

Besides several years of fighting the Thai communist insurgents in Nakhon Si Thammarat and Surat Thani, Kitti was also among the architects of the Thai-Malaysian joint military campaigns against the CPM guerrillas.

He made his first contact with the Malaysian military in 1964 when he was a lieutenant and appointed a platoon commander. He participated in the joint excercise, codenamed "Laemthong," in Than To District of Yala Province and also took part in the capture of a stronghold of the CPM 12th Regiment.

Kitti later was involved in a controversial combined operation, known as Sayabana, in which the Malaysian troops were allowed to cross the border in pursuit of the CPM guerrillas. The operation drew strong reactions from the southern people and was cancelled after a demonstration by residents in Betong District of Yala.

His engagement in several military operations against many outlaw groups, such as the Muslim terrorists, the CPT and the CPM, in several southern areas including Pattani Province and Santikiri mountain range in Waeng District of Nara Thiwat, have brought him into armed clashes many times. Fortunately, Kitti has never been seriously injured.

However, his work against the CPM insurgents stopped for a period when Gen Harn Leenanont was Commander of the Fourth Army Region because the regional commander personally took charge of the operations of the Thai-Malaysian Task Force. At that time he decided to go to the Army College. "It's better to study than to sit idly," he said.

He resumed his "career against the CPM guerrillas" again when Gen Harn was moved to the Supreme Command. Kitti returned to his familiar office and worked closely ever since with the new regional commander, Lt Gen Wanchai Chitchamnong.

Kitti was appointed deputy commander of the anti-CPM Thai-Malaysian Task Force in 1983 when he was assigned to co-ordinate with his Malaysian counterpart to map out a plan to Eliminate the insurgents. So this time he fully threw himself into the anti-CPM campaign job.

Kitti insisted that strong actions must be taken against the CPM guerrillas. He also questioned "why the Malaysian military did not seriously suppress the insurgents who have been trying to overthrow the Kaula Lumpur regime."

Referring to his anti-communist work, Kitti said he also played a part in the arrest of former Politburo member of the Thai communist movement Damri Ruansutham and a local communist leader in the south, Surachai sae Darn.

His name became controversial when he was blamed for giving an order to raid the residence of the then governor of Surat Thani, Sanong Rodpothong, to arrest Surachai. However, Kitti said his subordinates nabbed Surachai at a bungalow in Baan Don market in Surat Thani.

He said that he ordered his forces to lurk along the main road from Surat Thani to Bangkok following an intelligence report that a top level communist leader would go to the south and finally got Damri who was on his way to visit the CPT stronghold at Chong Chang.

He said that at first he did not recognize the man whom his soldiers brought to him. "Damri refused to talk to the troops who captured him and demanded to negotiate with a high-ranking military officer, so I met him," he said.

He added that Damri was sent to Bangkok for detention after he admitted that he was a member of the CPT Politburo. According to Kitti, Damri's detention in Bangkok was kept confidential for a month.

While he was the Thai-Malaysian Task Force's deputy commander, Kitti initiated the annual friendship golf tournament between Thai and Malaysian military officers to strengthen relationship between the two countries and help enhance unity among ASEAN countries.

"The more ASEAN countries are united the more their bargaining power will strengthen vis a vis other powers," he said.

For this year's Thai-Malaysian joint operation against the CPM insurgents, Kitti found that his Malaysian counterpart showed better co-operation than before. The fact that so far four Malaysian soldiers have been wounded during the joint military campaign proved that the Malaysian co-operation is more intense this time.

The Malaysian commanders have also been asked by Kitti to advance their troops from their former position one kilometre away towards the jungle-clad common border to search for the stronghold of the CPM 8th Company after the Thai forces had failed to spot the CPM major camp on the Thai side of the frontier.

The anti-CPM joint operation between the two countries has been going on for two weeks and Kitti insisted that the campaign must go on until the CPM 8th Company's stronghold is captured.

However, Kitti said the government should carefully deal with the CPM problem to prevent any misunderstanding from the Malaysian side that the Thais are lending support to the CPM. "Some of the CPM guerrillas once proposed to defect to the Thai Government on condition that they be granted Thai citizenship. However, the Government must be very careful in its policies towards the CPM," said the commander.

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CSO: 4200/797

ARMY WANTS BURMA BORDER FREE OF FOREIGNERS

Bangkok BANGKOK POST in English 20 Feb 86 p 2

[Text] Tak — The Third Army Region has proposed that certain areas of the Thai-Burmese border be declared out of bounds to foreigners, a military source said yesterday.

A total of 15 villages in three districts and one sub-district would be covered by the proposal to be submitted to the Interior Ministry for approval and declaration.

The source said the idea behind the proposal was to prevent foreigners from carrying out activities likely to affect Thai-Burmese relations.

The proposal will designate five villages in Ta Song Yang District, two in Mae Sot District and one in Phop Phra Sub-district as "completely out of bounds" to non-Thai nationals.

These villages, said the source, are near areas of frequent clashes between Burmese troops and minority rebels.

Another seven villages — five in Ta Song Yang District and one each in Mae Sot District and Phop Phra Sub-district — are also out of bounds because refugee camps are sited there.

Foreigners, particularly staff of international relief agencies, can, however, enter the latter seven villages only if they have permits.

The source said they could apply for entry permission with the Interior Ministry which would forward their requests to the Committee on the Thai-Burmese Border for final approval.

The committee is chaired by Supreme Commander and Army Chief Gen Arthit Kamlang-ek.

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CSO: 4200/797

SOMMAI MAY ALLOW BOOST IN FOREIGN DEBT

Bangkok BANGKOK POST in English 20 Feb 86 p 15

[Text]

A highly-placed Cabinet source told *Business Post* that Finance Minister Sommai Hoontrakul on Tuesday had proposed to the Cabinet that the Government amend the laws to broaden the foreign debt ceiling so as to enable the Government to borrow more to solve the lingering budget deficit problems.

The source said that Mr Sommai had proposed that the foreign debt ceiling be fixed at 5% of the gross domestic product (GDP).

At present, the Government has limited its debt service ratio at 9%, or in other words, the Government's foreign borrowings cannot exceed 9% for every 100 baht worth of exports.

However, the Government had decided to specifically increase the debt service ratio to 11% for the next few years.

The source said that Mr Sommai's proposal came in the wake of mounting problems faced by the Government over the soaring budget deficit as a result of the revenue shortfall.

Although the Government had applied several measures to boost its revenue and reduce its debts in a bid to resolve the problem, the measure had failed to work effectively.

Among the measures applied include the refinancing of local and foreign debts, tax amnesty, tax restructuring and budget cut.

The source said that Mr Sommai informed the meeting that the current 9% debt service ratio would be equivalent to about 2.5% of the GDP and that this would mean the Government could borrow more to solve the problem.

The minister also told the meeting that the proposal would not affect the country's fiscal position and that several countries had already applied the method, the source said.

Mr Sommai was, however, asked to prepare more information and details before resubmitting the issue, the source said.

The source also said that the meeting was caught by surprise when Mr Sommai stated that only about 630 million baht in additional income was expected from the recent adjustment in the tax structure.

This was because the Finance Ministry had earlier said that the Government's income would increase by about 2,000-3,000 million baht after the tax restructure.

The Government last month restructured several types of taxes, including an increase in the interest tax on fixed deposits from 12.5% to 15%, increase in registration fee of cars fuelled by diesel oil and LPG, and oil taxes.

At the same time personal income taxes were reduced and corporate tax for unlisted firms cut from 40% to 35%.

The adjustments were aimed at boosting the Government's earnings in the wake of the anticipated revenue shortfall for the 1986 fiscal year budget.

Several Cabinet ministers were rather surprised over Mr Sommai's report because it was believed that the additional income from the interest tax alone would have exceeded 1,000 million baht, the source said.

Moreover, there were still several types of other taxes that would yield more income for the Government, including income from the tax amnesty, the source quoted several Cabinet members as saying.

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CSO: 4200/797

THANAT KHOMAN CRITICIZES U.S. FOR FARM BILL

Bangkok THE NATION in English 22 Feb 86 p 4

[Text]

RECENTLY, a foreign friend asked me this question: How are Thailand and its people doing today? I feigned not to take notice of the question, but he insisted; I, therefore, had to take the offensive and retorted: Why don't you ask your eminent western diplomats and journalists whose opinion count so much more than mine which is like something they derisively used to call "Chinese Navy".

Unruffled, he still wanted my opinion, so I had to come out with something. A Thai today, I said, is a pale and emaciated man who, stark naked, keeps tottering along, holding an umbrella marked "American Security Protection".

But why is he pale and emaciated? my friend enquired. Because he has been subjected to "vampirical" treatments by some of his so-called good friends who went berserk and launched rabid campaigns to quench their blood thirst on him, and when he tries to resist, he lost his shirt and pants. He cannot sell what he produces. Many friendly markets are closed or half shut to his produce. Because of tariff walls or stringent trade restrictions and discriminatory tariffs including countervailing duties and other surcharges, he finds great difficulty in exporting his products.

All these measures contribute to dwindle his income and gravely affect his already meagre livelihood as well as the development of his country. They undoubtedly destabilize international trade and make their claim to observe and practice 'Free Trade' a sheer farce. The Public Laws 480 using many forms of subsidies are infamous examples of unfair, unjust and inequitable ways of conducting international commercial transactions causing the most deleterious effects on world commerce.

Today, blood is being sucked out of the Thai body by those adepts of Free Trade who conceive the principle to apply only to exports from their countries while using every foul device to keep out imports from others. That is why Thailand has continually suffered unprecedented trade deficits, while few, if any, remedy has been devised to correct the serious situation. On the contrary, the responsible parties preferred to leave their worries at home and went to enjoy the artistically chiselled ice sculptures at a much publicized Winter Festival.

While these blood-draining operations are going on and in order to lull today's Thais into complacency a novel anesthesia in the form of unending loans is being transfused into the Thai economic body through sympathetic agents to lessen the immediate effects of huge trade deficits and displace the burden to future governments and generations for whom the weight will unbearably be heavier.

As if this plight is not sufficient, a new and latest blow has been dealt by our *"Mahamitr"*, Great Friend and Big Brother, by the enactment of the Food Security or more simply Farm Bill.

This piece of legislation, now in force, reveals the evil intention of its authors and their accomplices to undermine Thailand and the welfare of its people. They seem to reject the idea that a small and undeveloped country like Thailand can be a premier world exporter of rice therefore, it should be cut down to size. And in so doing, it chooses to play it in an unworthy way.

A Senator who recently came to Thailand even practised mythomania by denying that the said legislation was at all aimed at this country, while in fact, the name of Thailand figured explicitly in the text of the Bill until it was replaced after representations, by the words "Thai rice".

The truth is Thailand was deliberately chosen as the prime target. Following on the Senator's footsteps, a certain Richard Bell, president of Riceland Foods Co in Arkansas again unashamedly misrepresented the truth by accusing Thailand of "underselling US producers".

The facts of the matter are that instead of subsidizing our rice farmers, the Thai

Government imposes duty in the form of export "premium". In reality, if American products are not competitive in the market, it is the result of their own doings: high cost of production, high social benefits, over-valued dollar (until recently), and unsuitability to consumers' taste, etc.

Lately, the assurances given to our officials who went to discuss the issue that Thailand will not be affected by the Farm Act must be taken at face value. What can be said now is that they differ widely from the utterances previously made from the legislative which are frankly aggressive and hostile. This disgraceful craze of going on the warpath to get the scalp of the Thai farmers in true indigenous Indian style contrasts with the lenient approach adopted regarding the US$50 billion trade deficit with Japan where no cutthroat measures have been resorted to as in the case of Thailand. Apparently, the fear of retaliation cools down their ardour for protectionist offensive and limited their show of guts to rhetorics and gallant words.

It is difficult to fathom the satisfaction and pride of those people who have been conducting an uninterrupted campaign of bashing against Thailand whose people already are bending under the weight of recession, depressed prices of agricultural products and protectionist measures from industrialized countries, security threats posed by Vietnamese invasion of Kampuchea as well as the onerous duties imposed upon them by the latter to care for hundreds of thousands of refugees who represent the sequels of past western colonialism and the Vietnam War fiasco.

Although the effects of such vicious campaign are by themselves murderous, the degrading intention itself to malign a weak but trustful friend is particularly distasteful and smacks of amorality bordering on immorality.

As these deep lashes are inflicted on the otherwise satisfactory record of long standing friendly relations, they will not be easily removed from the memory of our people. What is even more repugnant is the way it was done and the methods of operation, or M.O., to use a police terminology, in many respects resemble those of the Chicago or 'Cosa Nostra' gangs when they seek to control certain territories for the purpose of collecting protection money and the proceeds from drugs, prostitution and gambling. The only difference is that instead of bullets, bundles of greenbacks, hundreds of millions of them, stacked in the Trade War Chest, will be used, most particularly against Thailand more than any other country, because of its envied position as Number One rice exporter.

While this onslaught goes on, there is fortunately a silver lining over the horizon. Instead of trying to undercut us, there is at least a genuine Asian friend, the People's Republic of China, who has made worthy efforts to help us, by increasing the amount of rice purchased from Thailand. I have no doubt that the Thai people will not soon forget this sympathetic gesture.

There can be little doubt that these recent highhanded moves, in the words of the *Asian Wall Street Journal*, "have thrown world rice markets into turmoil". They also destabilize a small country threatened in its security by Vietnamese armed expansionism and aggression and at the same time struggling against protectionist waves of powerful industrialized countries.

This goes to show what respect these quarters have for the principles of free trade and world economic stability they proclaimed so loudly and how their professions of faith are utterly empty and fraudulent. While a number of these arrogant lawmakers are growling with impatience to devour the tempting flesh of Thai farmers, they can hardly hide their forebodings. One of them sourly remarked: "We're going to have one commodity that's going to make American farmer competitive, *come hell or high water*".

As these shameless, heartless and Godless lawmakers choose to forsake the moral and ethical law in favour of the law of the jungle, the apprehensive forebodings may very well come true and the millions of Thai farmers whose means of livelihood will be jeopardized can hardly be expected to bestow their blessings upon them. However, as a Buddhist who has done his religious duties, I sincerely commiserate with the future of their soul.

As far as we are concerned, we have no other valid alternative than to resist with all our strength reinforced by the righteousness of our cause of upholding the human right of our farmers to live, to survive and to have a place in the sun and not be forced to starve so that others may fatten.

If we should lose to these American "genuine friends" using their green colour Big Stick, may our defeat and their inglorious victory help show to the world how millions of our brethrens succumb to brazen injustice and international lawlessness at the hands of some who, drunk with power, misuse their economic and financial weapons to subject innocent people who have done them no wrong the most cruel and blood-curdling sufferings.

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CSO: 4200/797

THAILAND

COLUMNIST CRITICIZES REAGAN COMMENTS ON PHILIPPINE ELECTION

Bangkok THE NATION in English 18 Feb 86 p 4

[Text]

THERE'S A LOT that I can understand about the Philippines pseudo-election.

I can understand why the Marcos-appointed Comelec should find simple arithmetic such a time-consuming task, even with the aid of a roomful of computers. They've always treated the numerical operation of addition as an art rather than a science.

I can understand why Marcos should lie through his teeth about non-existent storms preventing a quick count. Marcos has never troubled himself over nit-picking niceties like telling the truth.

I can understand why the brazen yahoos who monopolize the airwaves in the Philippines should lambast the US congressional delegation for interfering in the internal affairs of their beloved dictatorship. It's far too much to ask of chat-show hosts to remember that the delegation is there because President Reagan asked them to go, and that President Reagan sent them because President Marcos invited him to.

I can understand why Marcos should score a thousand-and-odd to zip victory in his home town and say it's because he has a lot of relatives up there.

I can understand why the Rev Jerry Falwell should berate the Filipino people for not being thankful for the blessings brought to them by years of martial law under Marcos. He also thought that Bishop Desmond Tutu was a phoney.

I can understand why cardinal Jaime Sin should form quite a different opinion of the benefits brought about from the last 20 years of the Marcos government. Cardinal Sin seems to be a man of a different God from Rev Falwell.

I can understand why US delegation leader Sen Richard Lugar should have begun his mission with beaming remarks on the joys of a functioning democracy. The US administration has never been worried about a Marcos victory — merely that he should not be too blatant about it.

I can understand why Sen Lugar should quickly have changed his mind and decided that something shady was going on. If he'd stayed home and watched it all on the box, he could have come to exactly the same conclusion.

I can understand why the computer girls who ran out of Comelec headquarters crying fraud should have sought a tearful sanctuary in a church. Anyone who publicly embarrasses the Filipino administration has to keep looking over the shoulders for fear of the salvage squads.

I can understand why Channel 9's on-the-spot cameras should provide us with lengthy panoramic shots of Manila roadways where absolutely nothing of interest was going on. It's on a par with their close-ups of the grass at one end of a football field while the goal is being scored at the other end.

I can even understand why Dr Somkiat Onwimon should have eventually turned up in Manila. I wrote last week's piece in the belief that his visit had been banned, and some people will do anything to embarrass this column.

But what I cannot understand is that fumbling old duffer in Washington who, when a spade is shoved right under his nose, pretends he can see through the tines of a garden fork. Reagan has always had a problem with the Philippines. He once misread his cue cards, and instead of talking about Samson slaying the Philistines, came out with something about Simpson who slew the Philippines.

First, there's this fatuous comment that the violent, discredited and bogus vote count has demonstrated that the Philippines enjoys a healthy two-party political system. One must assume that Lebanon will shortly be held up as a shining example of multi-party democracy.

Then there's the insistence that the US should not interfere in the affairs of another country. Of course, having two of the biggest US military bases stuck in the middle of someone else's country is a clear case of non-intervention. And the US has always kept scrupulously away from involvement in the affairs of Nicaragua, El Salvador, Lebanon, Haiti, etc, etc.

There is the refusal to acknowledge that fraud has been perpetrated, coupled with the odd comment that this non-existent fraud was conducted by both sides. Of course, when one side controls the election machinery, the money, the media, the police, the army, and even the Parliament that will make the final decision, and when the opposition side has been menaced, clubbed and murdered, the US must be seen to take an impartial view.

And finally, there is the incredible statement that 'I don't know of anything more important than the Philippine bases.' Not a free and fair election, Mr Reagan? Not the respect of the will of the people? Not the self-appointed task of the US in 'making the world safe for democracy'?

/13104
CSO: 4200/797

READER CITES ANTI-DICTATORSHIP, 'SUPERPOWER' LINKS IN PHILIPPINES

Bangkok THE NATION in English 18 Feb 86 p 4

[Text] Dear Sir,

If nothing else, the wide publicity by the local Press on the Philippine elections has certainly been of great political benefit to the Thai public. The lesson was about how not to get our political system messed up to the extent that election rigging and fraud could be carried out so blatantly by someone who has been in power for over 20 years.

Even my 14-year-old boy was interested in the Philippine elections and has been asking some very basic questions about democracy, dictatorship and elections.

It was all very healthy and we must all thank the local Press for having given us the very comprehensive coverage of the elections. The Thai people have come to learn that although Marcos has technically won, the people in general will decide whether his continued leadership is legitimate or not.

The incident has also woken us to the reality that once a country gets itself engaged in a major scale with a superpower, it could hardly get away from interference from the outside.

My heart goes to all the Filipinos. May their struggle for democracy and freedom meet with success in the foreseeable future.

Yours truly,
Smarn Chootai
Bangkapi

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THAILAND

MILITARY, POLITICAL APPOINTMENTS ANNOUNCED

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 pp 188-191

[Text]

Supreme Command

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
1 GEN. BANCHOB BUNNAG	Chief of Staff, RTA	Chief of Staff, Armed Forces
2 GEN. KRIT CHEECHAROEN	Deputy Chief of Staff, RTA	Supreme Command HQ
3 GEN. VISITPORN WONGTHAI	General Staff, Supreme Command	Supreme Command HQ
4 LT. GEN. PRATIAB THETVISARN	RTA HQ	Supreme Command in the rank of **General**
5 LT. GEN. BANDHIT AMATAYAKUL	Director, Armed Forces Security Centre	Chief of General Staff, supreme Command in the rank of **General**
6 LT. GEN. SURAPHOL BANNAKITSOPHON	Deputy Chief of Staff for Logistics, RTA	Deputy Chief of Staff, Armed Forces
7 VICE-ADM VINIT SRIPOTCHANART	Commandant, Institute of Naval Academies	Deputy Chief of Staff, Armed Forces
8 MAJ. GEN. SA-NGAD CHARNVATHITANONT	Deputy Dir-Gen., Territorial Defence Department	Supreme Command HQ in the rank of **Lt. General**
9 MAJ. GEN. M.L. CHATCHAVAL SNIDWONGSE	Deputy Director, Armed Forces Security Centre	Supreme Command HQ in the rank of **Lt. General**
10 MAJ. GEN. SOMCHIT KLONGKARNKHIEN	Deputy Commandant, Staff College	Commandant, Staff College in the rank of **Lt. General**
11 MAJ. GEN. UDOM OONHALEKHA	Deputy Commandant, Armament Centre	Supreme Command HQ
12 RADM SOMBOON CHEEVAPRASERT	N/A	Supreme Command HQ
13 MAJ. GEN. VICHIT BUNYAWAT	Deputy Director, Information Office	Director, Information Office
14 MAJ. GEN. THIEN CHONMAITREE	Deputy Dir-Gen., Army Signals Department	Director-General, Army Signals Department
15 MAJ. GEN. ANUWAT THAPKLAI	Chief of Staff, Armed Forces Security Centre	Deputy Director, Armed Forces Security Centre
16 MAJ. GEN. PRASART NOISERTH	Deputy Chief Comptroller, Armed Forces	Chief Comptroller, Armed Forces
17 COL. NIPHAT BUNYARATTAPHAN	N/A	Chief of Staff, Armed Forces Security Centre
18 COL. BOONLERT PUANGCHAN	N/A	Deputy Director Information Office

Office of the Permanent Secretary for Defense

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
1 GEN. PRAYOON BUNNAG	Attached to Supreme Comd. HQ	Permanent Secretary for Defence
2 LT. GEN. THAVEEP SATTHANONT	Dir., Defence Budget Bureau	Deputy Permanent Sec. for Defence
3 LT. GEN. PRASONG KREEKUL	N/A	Office of Permanent Secretary
4 LT. GEN. PRADIT BUSAYANGKOON	Dir. Gen., Def. Industry Dept.	Office of Permanent Secretary
5 LT. GEN. PAIBUL YANTAPORAN	Attached to Office of Permanent Secretary	Judge Advocate General
6 MAJ. GEN. FUENGCHALOEY ANIRUTTHEVA	Attached to Supreme Comd. HQ	Office of Permanent Sec. as **Lt. General**
7 RADM PRACHUAB SUPPARATLACH	Office of Permanent Secretary	Director of Policy and Planning as **Vice-Admiral**
8 MAJ. GEN. BAMKEN BURAKHOM	Attached to RTA HQ	Office of Permanent Sec. as **Lt. General**
9 MAJ. GEN. DEJ SONGKROHPANT	Attached to OPS	Dir. Gen., Defence Industry Department in the rank of Lt. Gen.
10 MAJ. GEN. PRAVAT KOMOLMARN	Dy. Dir. Def. Budget Bureau	Dir., Def. Budget Bureau in the rank of **Lt. General**
11 MAJ. GEN. KAO KONGPOONSILPA	Aide to the Defence Minister	Office of Permanent Secretary
12 MAJ. GEN. CHARUN KULLAVANIJAYA	Aide to the foreign Minister	Office of Permanent Secretary
13 COL. KASEM NAPASAWAT	N/A	Aide to Defence Minister in the rank of **Maj. General**
14 COL. CHAMLONG SRIMUANG	Aide to the Prime Minister	Office of Permanent Sec. in the rank of **Maj. General**
15 COL. RAVEE PROMSAKHA NA SAK	N/A	Asst. Dir., Def. Budget Bureau

NOTE: Most of the new appointees were Armoured Corps officers who had served under the Prime Minister, Gen. Prem Tinsulanonda. They include Lt. Gen. Prasong Kreekul, Maj. Gen. Fuengchaloey Aniruttheva, Col. Kasem Napasawat and Col. Chamlong Srimuang.

The Army

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
1 LT. GEN. CHUTHAI SAENGTHAVEEP	Deputy Chief of Staff, RTA	Deputy C-in-C, RTA in the rank of **General**
2 LT. GEN. CHAOVALIT YONGCHAIYUTH	Deputy Chief of Staff, RTA	Chief of Staff RTA in the rank of **General**
3 LT. GEN. KAMHAENG CHANTAVIRAT	Asst. Chief of Staff for Intelligence, RTA	Asst. C-in-C, RTA in the rank of **General**
4 LT. GEN. AKKAPOL SOMROOP	Asst. Chief of Staff for Personnel Administration, RTA	Asst. C-in-C, RTA in the rank of **General**
5 LT. GEN. WANCHAI RUANGTRAKUL	Asst. Chief of Staff for Operations	Deputy Chief of Staff, RTA
6 LT. GEN. CHARAS WONGSAYANT	Chief Comptroller, RTA	Deputy Chief of Staff, RTA
7 MAJ. GEN. RUAMSAK CHAIKOMIN	Deputy Commander Third Army Region	Commander, Third Army Region in the rank of **Lt. General**
8 MAJ. GEN. RAT BUNYATHAP	N/A	In charge of special operations in the rank of **Lt. General**
9 MAJ. GEN. SIRICHAI LAKSANAINAVIN	Deputy Dir.-Gen, Territorial Defence Department	Asst. Chief of Staff for Personnel, RTA
10 MAJ. GEN. VICHIT SUKMAK	Superintendant, Chulachomklao Royal Military Academy	Dir.-Gen, Territorial Defence Department
11 MAJ. GEN. SAWAT SIRIPHOL	Director-General, Special Services Department	Adviser to the Army
12 MAJ. GEN. VICHAI PERSAP	Deputy Chief Comptroller, RTA	Chief Comptroller, RTA
13 MAJ. GEN. NGOMPOL NUTSATHIT	Director-General, Army Intelligence Department	Chief of Staff for Intelligence, RTA
14 MAJ. GEN. SUCHINDA KRAPRAYOON	Director-General, Army Operations Department	Ass. Chief of Staff for Operations, RTA
15 MAJ. GEN. KASEM SANGUANCHARTSORAKAI	Director-General, Engineers Department	Asst. Chief of Staff for Ligistics, RTA
16 MAJ. GEN. NOPPADOL BOONCHU	Deputy Commander, Fourth Army Region	RTA HQ
17 MAJ. GEN. AROON SRI-UTHAI	Deputy Commander, Second Army Region	RTA HQ
18 MAJ. GEN. CHUVIT CHORSORAPONG	Deputy Commander, Institute of Army Academies	RTA HQ
19 MAJ. GEN. PANYA SINGSAKDA	Deputy Commander, Fourth Army Region	Deputy Commandant, Institute of Army Academies

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
20 MAJ. GEN. CHANA YAMBOONRUANG	N/A	Deputy Dir-Gen, Medical Department
21 MAJ. GEN. SURAT INTHASIRI	Commander, 1st Auxiliary Forces	Deputy Commander, Second Army Region
22 MAJ. GEN. PISIT SANTABUTR	Commander, Udon Military Province	RTA HQ
23 MAJ. GEN. PRASERT SAKULCHAROEN	Deputy Dir.-Gen, Medical Department	RTA HQ
23 MAJ. GEN. PRASERT SAKULCHAROEN	Deputy Dir.-Gen, Medical Department.	RTA HQ
24 MAJ. GEN. VISIT ARTKHUMWONG	Chief of Staff, Third Army Region	Deputy Commander, Fourth Army Region
25 MAJ. GEN. VIMON WONGWANICH	Commander, 1st Special Forces Division	Commander, 1st Infantry Division King's Guard
26 MAJ. GEN. SIRI THIVAPHAN	Commander, 4th Infantry Division	Deputy Commander, Third Army Region
27 MAJ. GEN. ISSARAPONG NOONPAKDI	Commander, 1st Infantry Division King's Guard	Deputy Commander, Second Army Region
28 MAJ. GEN. KAMCHAD BURANASAMRIT	Commander, 3rd Auxiliary Forces	Commander, Seventh Army Circle
29 MAJ. GEN. CHARB IAMSIRI	Commander, 5th Infantry Division	Deputy Commander, Fourth Army Region
30 MAJ. GEN. CHARN SATHAIBODI	Commander, 12th Infantry Division	RTA HQ
31 MAJ. GEN. PANYA KWANYU	Director-General, Reserve Affairs Department	Director-General, Inspector-Generals Department
32 MAJ. GEN. SATHORN SUWANPA	Commander, 1st Cavalry Division	Deputy Dir-Gen, Territorial Defence Department
33 MAJ. GEN. MANOON POLWIANG	Chief of Staff, Second Army Region	Commander, Sixth Army Circle
34 MAJ. GEN. SUTHEP SIVARA	Chief of Staff, Territorial Defence Department	Deputy Dir-Gen., Territorial Defence Department
35 MAJ. GEN. PAIBUL EMPHAN	Assistant Director, Army Research Centre	Deputy Director, Army Research Centre
36 MAJ. GEN. NIYOM SANSANAKHOM	Commandant, Armed Forces Preparatory Academy	Superintendent, Chulachomklao Royal Military Academy
37 MAJ. GEN. SALUEY CHAIKOMOL	Commander, Seventh Army Circle	RTA HQ
38 MAJ. GEN. CHALIT PANOMSARNNARIN	Commander, Army College	RTA HQ
39 MAJ. GEN. CHAI DISSYADEJ	N/A	RTA HQ
40 MAJ. GEN. YUTTHANA ROOPKACHORN	N/A	RTA HQ
41 MAJ. GEN. SONGSERM WAISOKA	Commander, Songkhla Military Province	Commander, Fifth Army Circle
42 MAJ. GEN. PAIBUL HONGSIBLARK	N/A	Chief of Staff, Second Army Region
43 COL.WATTANA CHANTHANAKHOM	N/A	Director-General Army Transport Department in the rank of **Major General**
44 COL. KIATISAK MUNSRI	N/A	Commandant, Army College in the rank of **Maj. General**
45 COL. AROON WANRAK	N/A	Commander, 3rd Auxiliary Forces in the rank of **Maj. General**
46 COL. PREEDA WATTHANASAK	N/A	Commander, 1st Auxiliary Forces in the rank of **Maj. General**
47 COL. PHINIT PARNSEETHONG	N/A	Commander, 12th Infantry Division in the rank of **Maj. General**
48 COL. THAVEEWIT NIYOMSEN	N/A	Director-General, Special Services Department in the rank of **Maj. General**
49 COL. PRAMONT PALASIN	N/A	Director-General Army Operations Department in the rank of **Maj. General**

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
51 COL. THAVORN RATTANAVADEE	N/A	Director-General, Intelligence Dept. in the rank of **Maj. General***
52 COL. VICHIEN SUKPLUNG	N/A	Director-General, Army Transport Department in the rank of **Maj. General**
53 COL. KITTI RATTANACHAYA	N/A	Commander, 5th Inf. Division in the rank of **Maj. General**
54 COL. BOONCHERD WONGSAI	N/A	Commander, Songkhla Military Province in the rank of **Maj. General**
55 COL. SOMJAT LAKKHANA	N/A	Commander, Udon Military Province in the rank of **Maj. General**
56 COL. PREECHA MUTHAWONG	N/A	Director, Army Personnel Department in the rank of **Maj. General**
57 COL. PHAIROJ CHAN-URAI	N/A	Commander, 1st Cavalry Division in the rank of **Maj. General**
58 COL. YUTTHASAK SASIPRAPHA	N/A	Chief of Staff, Territorial Defence Department in the rank of **Maj. General**
59 COL. CHER POSRINARK	N/A	Commander, 4th Infantry Division in the rank of **Maj. General**
60 COL. PRAMOTE RA-NGABPAI	N/A	Director-General, Reserve Affairs Department in the rank of **Maj. General**
61 COL. WATTANA SANPANICH	N/A	Commander, 1st Special Forces Division in the rank of **Maj. General**
62 COL. PREECHA IAMSUPHAN	N/A	Chief of Staff, Army Operations Department in the rank of **Maj. General**

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CSO: 4200/796

THAIS REJECT MALAYSIAN PROPOSAL FOR MILITARY OPERATIONS

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 p 163

[Text] Thailand has turned down a Malaysian proposal for a joint operation against communist terrorists (CT) on both sides of the border. This was stated by Lt. Gen. Wanchai Chitchamnong, Commander of the Fourth Army Region, at the 47th. regional border committee meeting.

During the meeting which was held recently in Hat Yai, south Thailand, Lt. Gen. Wanchai told his Malaysian counterpart Lt. Gen. Dato' Wan Ismail Mohd. Salleh that although the Thai military authorities agree the joint operation is a good idea and believe that it can be carried out, there is no specific target along the border at which they (Thailand and Malaysia) can mount a joint military operation.

Lt. Gen. Wan Ismail who headed the Malaysian delegation told a Thai daily newspaper, the *Bangkok Post*, that Malaysia wants to step up cooperation with Thailand "in which both sides operate together." The cooperation has so far been either unilateral or coordinated operations against the CTs. Thailand and Malaysia have described members of the banned Communist Party of Malaya (CPM) as their "common enemy". The insurgents operate on both sides of the Thai-Malaysian border.

Lt. Gen. Wan Ismail, who is also the Commander of the Malaysian Army Corps, went on to say that both sides should look for a suitable target against which the security forces of the two countries can launch a combined military operation. He estimated that there are between 2,000 to 2,400 CPM cadres operating inside Thailand.

The Malaysian general praised the Thai military for its successful month-long operations from March 1 against the CTs, during which several communist camps were discovered and their (CTs) activities in southern Thailand greatly disrupted. Following the Thai operations, there has been no increase in CTs activities on either side of the border, he added.

Lt. Gen. Wanchai stated that many of the CPM camps are based deep inside Thai territory and Thai troops have already attempted to suppress activities there. The Thai authorities therefore feel that there is no reason for the Malaysian armed forces to fight the CTs inside Thailand. He also said that the Thai authorities were more concerned about the rising trend of subversive activities by Muslim separatist movements in south Thailand. The Government had sought help from the Malaysian authorities since many of the suspected Muslim guerillas travelled into Thailand through Malaysia after receiving armed training abroad, he added.

Following the meeting, the delegations issued a joint communique which stated that the committee was satisfied with the efforts taken by both countries to suppress the CTs along the border. It went on to say that both countries cooperated in the redemarcation of 537 kilometres of common border, or about eighty-five per cent of the total length of the border. The statement added that both sides have also cooperated in enforcing the security in their territorial waters, resulting in the apprehension of thirty-three vessels for various offences this year.

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ARTHIT CANCELS BID FOR LOGISTICS VEHICLES

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 pp 163-164

[Text] **Supreme Commander Gen. Arthit Kamlang-ek has scrapped a previous bids for the supply of 4,000 logistics vehicles to the armed forces over the next ten years, and the procurement committee has been instructed to draw up a new and more detailed specification proposal which potential bidders can refer to.**

A high-ranking source in Bangkok disclosed that the previous bid was cancelled on the recommendation of the committee in charge of evaluating the bid results. About ten international companies in joint ventures with local assemblers, submitted bids.

According to the source, the committee claimed that proposals and conditions contained in the bids differed substantially, and many of them did not comply with specifications set by the armed forces.

The previous bid, which took place early this year, saw the joint venture between the West German-based Unimog and the Thon Buri Assembling Co. emerging with the highest score. Other companies participating in the bid included Ateliers de Constructions Mecaniques de l'Atlantique (ACMAT) of France, Samsung of South Korea and Hino of Japan.

The 4,000 1¼-ton light logistics trucks are expected to cost about 3,000 million baht or approximately 112 million US dollars.

The conditions set by the armed forces stipulate that the bid winner would receive a certain amount of agricultural products in return for the trucks, which must be assembled locally using a certain amount of local content over the ten-year period.

The same source disclosed that cancellation of the previous bid was because Unimog-Thon Buri had proposed supply two-tonners instead of the 1¼-ton light trucks which the RTAF wanted. He noted that no contract has yet been awarded.

According to the source, Gen. Arthit told the committee to draw up new specification proposals and to allow other interested parties, as well as the previous bidders, to submit fresh proposals.

The new chairman of the procurement committee is the RTA Chief-of-Staff, Gen. Chaovalit Yongchaiyuth, who replaced Gen. Banchob Bunnag; the latter has now been promoted to chief-of-staff of the armed forces (See: Changes, Command and Staff, in this issue of *ADJ*).

The source said that the new procurement committee will adhere closely to the specification proposals, and "proposals submitted by bidders would be dropped immediately if they are not in line with the specifications." He said that the new specifications were expected to be completed within the year, after which foreign firms would be given about two months to prepare their proposals.

The source also disclosed that the armed forces, through the Army, was planning to call another bid for the supply of about 500 shelter trucks, known as communication vehicles. However, no definite specifications have yet been set.

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SRV ARMY PAPER ARTICLE: PAVN IN RADIO CONTACT WITH THAIS

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 pp 166, 167

[Text] Vietnamese troops are still meeting stiff resistance from NADK guerillas along the Thai-Kampuchean border, months after the fall of guerilla bases there, according to an eyewitness account in Vietnam's Army newspaper.

Vietnamese soldiers are permanently on alert for resistance troops "who still operate in the forests" and carry out attacks, sabotage and kidnapping against Vietnamese and pro-Hanoi Kampuchean cadres and soldiers "in several areas deep inside Kampuchea," *Quan Doi Nhan Dan* said. The writer claimed the "three frontiers" region of Kampuchea, Thailand and Laos was particularly tense and insecure.

The border region had been "liberated" after fierce fighting by Hanoi's troops last spring during their dry-season offensive, the article said. But it admitted that the NADK (formerly known as the Khmer Rouge) "have not been completely wiped out." "The enemy is still in Thailand and planning attacks," it added.

The Kampuchean fighters had the benefit of considerable logistical backup in Thai territory, despite the destruction and occupation, by Vietnamese troops, of the three main NADK bases in the area — "1001, 1002 and 1003," in the Dong Rek mountains. The article, quoting Vietnamese officials, stated that the bases sheltered the two most heavily-armed NADK divisions, with 1,500 - 2,000 men in each formation.

Some 500 Laotians and Vietnamese guerillas were also sheltering in the Dong Rek mountains. Many belong to the United Front for the Liberation of Oppressed Races (Furio), which is waging a guerilla war against Hanoi in the highlands of southern Vietnam. The article claimed that Vietnamese forces had seized hundreds of tons of arms, ammunition and medicine abandoned by the guerillas as they withdrew from their bases.

The author did not say on which side of the frontier were the bases he visited, but his description suggested they were partly in Thailand. Vietnamese sources said privately that the frontier had little significance in the area, as "Thailand has sold part of its territory to China to establish the guerillas there (areas in the Dong Rek mountains)." The Thais never denounced Vietnamese incursions in that sector, though they did elsewhere along the border, they added. The paper said Thailand had handed some of its territory in the region for $100 per km to China, which it claimed wanted to establish various anti-Vietnamese guerilla groups in Indochina.

The article also said that Vietnamese and Thai forces kept in radio contact, which sometimes prevented incidents between the two forces. Reliable sources stated that such radio contact, made at the initiative of officers on the spot rather than agreed between the top brass of both sides, was common all along the border.

The report also stressed the ever-present danger of landmines besides the guerilla attacks. These were the main cause of deaths and injuries on both sides, it said. Living conditions at the border are tough, the writer wrote. He cited a severe lack of drinking water as well as hygiene problems, skin diseases, parasites and malaria. Heat, dust and mud added to the region's harshness.

Only once did the article refer to any Phnom Penh troops in the area, mentioning that some had collected arms abandoned by resistance. A source said that conditions at the border were too tough for the inexperienced Kampuchean Army. "The ability, logistical support, equipment and men of Kampuchean Army are still not up to operating in such harsh conditions," he said.

The same source stated that the Vietnamese General Staff was finding it hard to set itself clear objectives for the dry season, which has already started. "All the objectives were achieved last season, so now it's mainly a question of mopping up," he said.

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THAILAND

ITALIAN TANK TO GET ARMY EVALUATION

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 p 146

[Text] Founded in 1905 for the production of weapon and weapon systems for the Italian Army and Navy, OTO Melara has continued since then to be one of the most important suppliers of weapons to Italian Armed Forces.

During the last 25 years its activities have extended throughout the world with the supply of armaments and weapon systems to an ever increasing number of countries. In addition to Italian Armed Forces, more than 50 countries have in fact till now acquired OTO Melara's products, and the Italian Company's bestseller', the 76/62 COMPACT Naval Gun, is now in service in nearly 40 Navies in the world.

At present OTO Melara is a leading Company of Finanziaria Ernesto Breda, one of the four Holding Groups of EFIM, a Public Law Agency operating within the State Shareholding System.

OTO MELARA PRODUCTION FOR THE ARMY

Since 1956 OTO Melara is producing the 105/14 Pack Howitzer, under Italian Army licence, that has been already delivered in more than 2,500 units to about 40 countries. In the 60s, the production of well known M113 family vehicle began, together with the M60 MBT, and in the 70s the LEOPARD tank entered into production.

After those production, OTO Melara started with a new product line in the field of tanks, being entirely designed and developed by the Italian Company's R&D technicians: the OF 40 Main Battle Tank and the PALMARIA Self Propelled Howitzer. The OF 40 Tank, already sold in various units to a Middle East country, has a great importance, representing the first MBT completely designed and realized in Italy after World War II.

The OF 40 can be regarded as high performance main battle tank with advanced armament, armour and driving characteristics.

OTO MELARA PRODUCTION FOR THE NAVY

OTO Melara has always supplied the Italian Navy with the most modern products requested for up-to-date ships. In the past fifteen years many foreign navies have become Oto Melara customers, so that presently the naval guns and missiles of OTO production (from 127/54 to 76/62 naval guns; OTOMAT and MARTE Mk. 2 ANTISHIP missiles; OTO launcher for ALBATROS AA missile system etc) are installed in most new construction of the 70s and 80s.

After the continuing success of the 76/62 COMPATTO naval gun (already sold to many navies, comprising high-level ones like US Navy or Japanese Navy), OTO Melara has carried out in-depth studies to meet the world wide need for a naval gun with superior performances in the anti-missile, anti-aircraft and surface roles, shore bombardment etc.

To meet this demand, OTO Melara has chosen the original concept of the widely used 76/62 gun, with deeply improved rate of fire. ■

[Photo caption] This OTO of 40 MBT, in its dark green colour, has been recently shipped to Thailand for evaluation by the Royal Thai Army.

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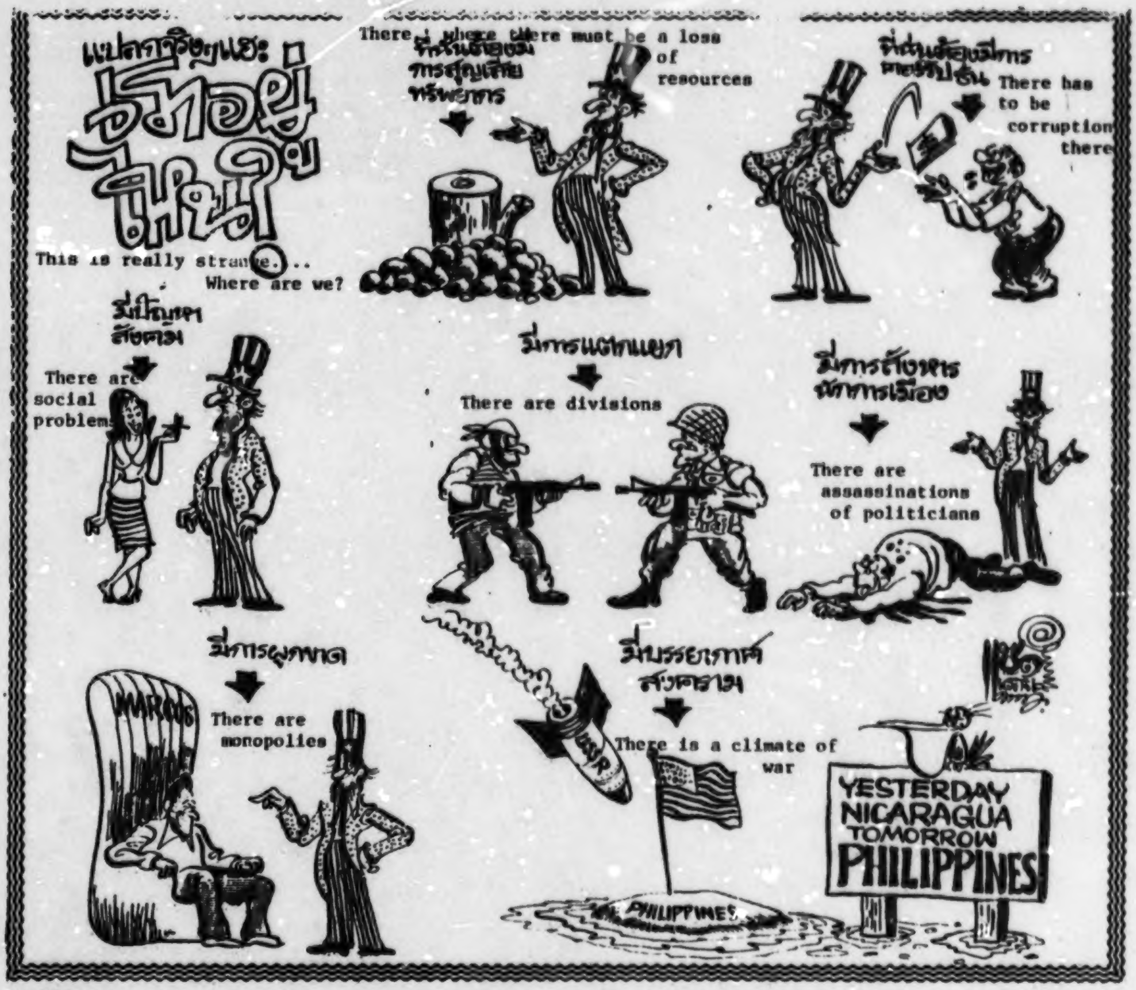
CSO: 4200/796

THAILAND

CARTOON SCORES U.S. POLITICAL INFLUENCE, VIEWS RESULTS

Bangkok DAILY NEWS in Thai 17 Feb 86 p 5

[Text]


แปลกจริงแฮะ
เราอยู่ที่ไหน?
This is really strange...
Where are we?
ที่นั่นต้องมี
การสูญเสีย
ทรัพยากร
There where there must be a loss of resources
ที่นั่นต้องมีการ
คอรัปชั่น
There has to be corruption there
มีปัญหา
สังคม
There are social problems
มีการแตกแยก
There are divisions
มีการสังหาร
นักการเมือง
There are assassinations of politicians
มีการผูกขาด
There are monopolies
MARCOS
USSR
มีบรรยากาศ
สงคราม
There is a climate of war
PHILIPPINES
YESTERDAY
NICARAGUA
TOMORROW
PHILIPPINES

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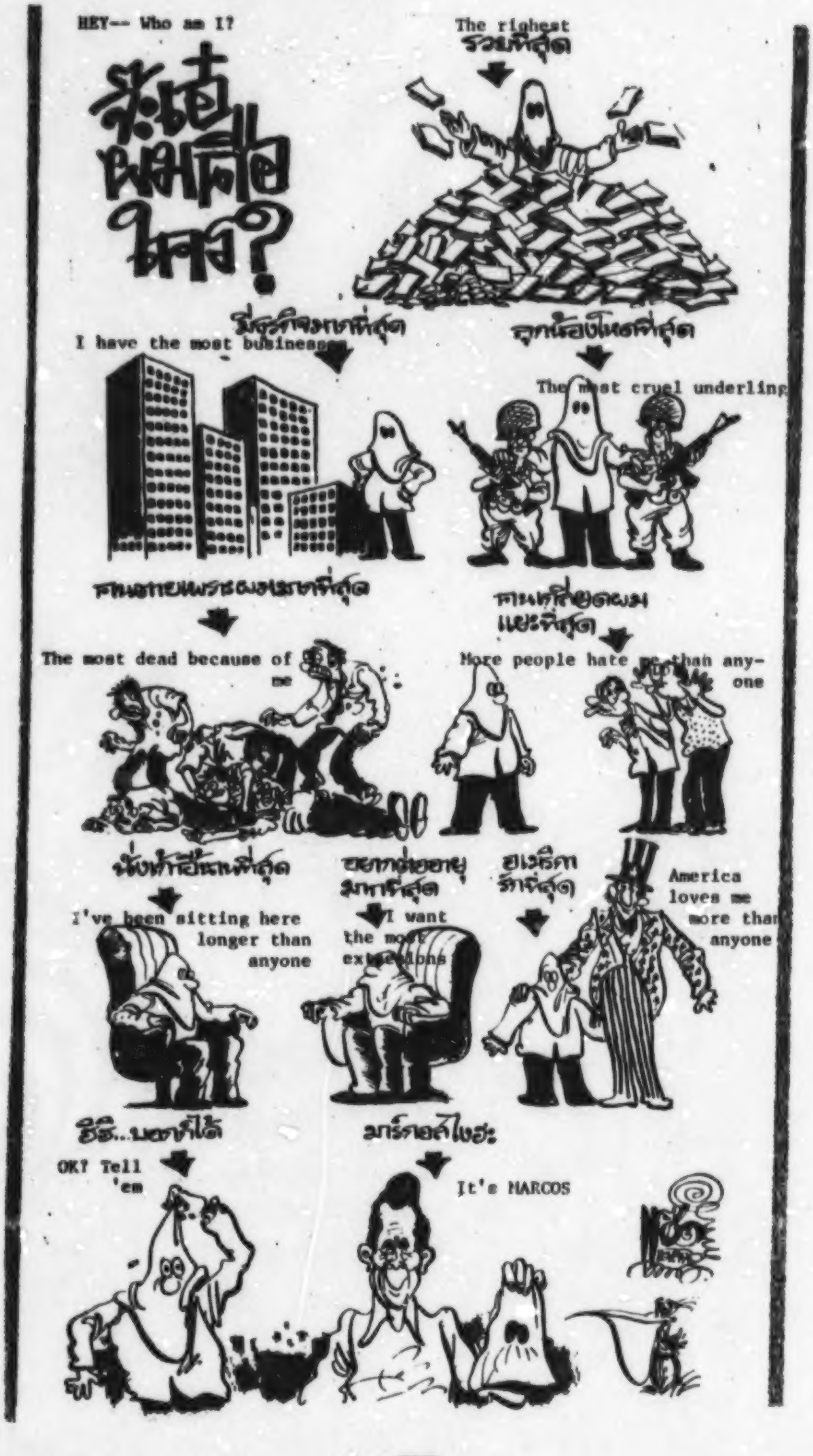
CARTOON SCORES U.S. SUPPORT FOR MARCOS

Bangkok DAILY NEWS in Thai 16 Feb 85 p 3

[Text]


HEY-- Who am I?
ฮะเฮ้ย ผมคือใคร?
The righest
รวยที่สุด
มีธุรกิจมากที่สุด
I have the most businesses
ลูกน้องโหดที่สุด
The most cruel underling
คนตายเพราะผมมากที่สุด
The most dead because of me
คนเกลียดผมเยอะที่สุด
More people hate me than anyone
นั่งเก้าอี้นานที่สุด
I've been sitting here longer than anyone
อยากต่ออายุมากที่สุด
I want the most extensions
อเมริการักที่สุด
America loves me more than anyone
ฮิฮิ...บอกก็ได้
OK? Tell 'em
มาร์คอสไงฮะ
It's MARCOS

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END

JPRS-SEA-86-052

22 March 1986

Southeast Asia Report

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JPRS-SEA-86-052

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COLUMNIST VIEWS LEADERS LEFT OUT OF AQUINO CABINET

HK050502 Manila METRO MANILA TIMES in English 2 Mar 86 p 4

["Rallying Point" column by Mat V. Defensor: "Talents the Nation Can Use"]

[Text] Reading the list of new appointees to the Aquino cabinet, one begins to worry, not to celebrate. The apprehension comes not necessarily from doubts about the integrity and competence of the members of Aquino's cabinet (we will allow these two basic qualities meantime) but from a feeling that some important leaders have been left out entirely in the making of that cabinet.

Missing from the list of freshly-minted ministers are the names of Rafael M. Salas, Bernardo Villegas, Lorenzo Tananda, Jose W. Diokno, Andres Narvasa, and several other leaders who have proven their worth, if not their mettle.

Salas is excellent material for prime minister, for instance. His enormous managerial and organizational talents are recognized worldwide. Our own people have seen proof of Salas's remarkable leadership abilities when he handled the post of executive-secretary in 1965 through 1969, installing planning management and organizational systems in the government bureaucracy that made possible the efficient delivery of public services to the people. When he broke away from Mr Marcos in 1969, the United Nations welcomed him and put him in charge of all activities on population. He did so well in this job that nations of the world have agreed to enlarge population activities and contributed funds therefore. Salas soon became deputy secretary general of the United Nations, a position he holds today.

With his contacts in the various key centers of the world and the prestige of his name, Salas will be a good choice for the post of prime minister. If Ninoy had been elected president in 1973, he would have asked Salas to join his cabinet.

Bernie Villegas of the Center for Research and Communications is an activist economist whose ideas on how to deliver our nation from the economic rot it is now may be helpful to the Aquino government. Villegas is one great talent that should be put in the service of government at these critical times. Like Salas, Villegas has earned the respect of other nations that recognize the validity and relevance of his economic views. It will be a great loss for Mrs Aquino to fail to use his energies and skills.

Lorenzo Tanada is a statesman whose counsel and sobering influence should put the Aquino government on even keel. A true patriot and fighter for truth and justice, his fire has not diminished despite old age. His long years have served to add only luster to his wisdom and basic strength. Mrs Aquino will do well to find a place for him in her government.

Jose W. Diokno may not be popular with the Americans because of his uncompromising stand on the U.S. bases but he has struck a responsive chord in the hearts of our fellowmen for the courage of his conviction and the unremitting vigor with which he pursues his goal of freeing our country from any form of restraints, whether foreign or local. In his mind, the Filipino can live in dignity and pride only when he is truly free. That means removing every vestige of foreign domination (like U.S. bases in the country). Diokno's voice will be sorely needed. And of course Andres Narvasa is a name that should not be omitted. He has courage, fairness, gentlemenliness, and judicial statesmanship. His appointment to the Supreme Court, no doubt, will be met with unanimous approval everywhere.

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CSO: 4200/774

TIMES JOURNAL URGES MARCOS TO RESTRAIN LOYALISTS

HK041402 Manila TIMES JOURNAL in English 2 Mar 86 p 4

[Editorial: "Marcos Should Restrain Loyalists"]

[Text] The reported plan of several hundred armed Marcos loyalists to carry on the fight for the deposed leader does not augur well for the fledgling government of Mrs Corazon C. Aquino.

Yesterday, the [word indistinct] reports spoke of followers of Ilocos Norte Vice Governor Roque Ablan Jr, a former close friend of murdered opposition leader Benigno Aquino Jr, Laguna member of Parliament Jose Yulo and Lanao Del Sur Governor Ali Dimaporo preparing to launch a counterattack to retake the government from Mrs Aquino.

There had been earlier reports that a general close to Mr Marcos and who had been accused by General Fidel V. Ramos, armed forces chief of staff, as one of the country's biggest carnapers, had gone to the hills along with several of his loyal forces and are planning to join up with some other loyalists with several tanks to continue the fight for their deposed leader.

We can understand the desperation of this general, but not of Ablan, Yulo and Dimaporo. We'd like to believe that they are sensible men who would not think of sacrificing the lives of their loyal followers in a fight that is certain to annihilate them. We are certain that the government has enough forces to defend the interests of the greater majority of our people who opted for a change of leadership and it would, indeed, be tragic if the planned counterattack pushes through.

We remember reports that Mr Marcos fled the palace to prevent bloodshed especially after his chief of staff, General Fabian C. Ver, tried to get Mr Marcos to order the bombing of Camp Crame where Defense Minister Juan Ponce Enrile and General Ramos and his men holed out, surrounded by thousands of civilians. "We are ready to destroy them and annihilate them at your command," said Ver to the former president but the latter said no. We do not believe insinuations that televised dialog was merely meant to boost the morale of the loyalist troops whose number had already started dwindling at that time. We'd rather think that it spoke of the genuine desire of Mr Marcos, for all that can be said against him, to solve the crisis without bloodshed.

We call on Mr Marcos, therefore, wherever he is, to advise his loyalists to forego their plans if he really cares for the people he has ruled for 20 years. There is no doubt at all that if this counterattack is staged and the government is left with no choice but to defend the interests of the people, this may very well be the beginning of our disintegration as a people.

We have proved to the world that we can settle even the most serious of our problems with minimal violence. It would be tragic now if the man who claims to have given the best years of his life to protect the Filipino people does not lift a finger to prevent the bloodshed. This may be his last chance to change what may very well be a harsh verdict of history on his rule.

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CSO: 4200/774

COLUMNIST ON NEED FOR GOVERNMENT PLATFORM

HK051409 Manila BUSINESS DAY in English 4 Mar 86 p 4

["Bottom Line" Column by Gaby Manalac: "Needed: A Platform"]

[Text] Ferdinand Marcos had been around so long that when I get up in the morning, I have to consciously remind myself that it is Madame Corazon Aquino who is now president. And then it takes some time before I can adjust emotionally to this new environment.

It is only when I pick up the morning papers that I am reassured Madame Aquino is indeed the country's new leader and administrator of the people's power.

The last few days, however, indicate that perhaps President Aquino should pull in the reins somewhat and get the act of her cabinet together. I cannot see any clear direction in the movement of Mrs Aquino's boys and girl. Each of her Cabinet ministers seems to be evolving his own set of policies and plans and I am wondering if such plans dovetail with an overall objective and strategy.

It is almost as if each cabinet member was functioning as a Rambo within the area of his ministry, and the foremost example of this is Local Governments Minister Aquilino Pimentel who is going about installing officials in various offices, probably without the concurrence of President Aquino.

Tourism Minister Jose Antonio Gonzales admitted in a TV interview that President Aquino merely bade him go and take over the ministry, without providing him guidelines and objectives.

If this is happening now, I would imagine it is because the Aquino party came into power too fast, without benefit of a transition period, and has not had time to prepare a real platform of government. True, Mrs Aquino made some announcements on projected plans and change during her campaign but those certainly do not constitute a platform.

Ideally, a party should evolve a platform even before it campaigns, except that the unusual circumstances of the snap elections made it quite difficult to come up with a thorough plan while trying to depose a dictator, all within 60 days.

With a well spelled out platform, however, the new team of cabinet members can then quite easily set directions in their own respective ministries. This will avoid conflicts which may arise from personal perceptions of individual functions when there are no overriding guidelines established by a platform.

Without these clear guidelines provided by a platform, it is possible that policies of different cabinet members will clash with one another and each ministry will become a mini-kingdom with a turf to protect against the other ministries.

It therefore becomes extremely urgent that the Aquino government should now work out its platform of government so that its team members will know exactly how to tailor their policies in order to achieve a common goal. This platform will also give the people a chance to react against what it may deem unacceptable, and thus enable the government to adjust its objectives and strategies.

At the same time, this platform will serve as the standard by which the people can judge the performance of the government and thus impose accountability on its officials. Lack of accountability characterized the Marcos dictatorship, which is why government officials so wantonly abused their positions and ignored public opinion.

We certainly must not let this happen again. But already, we have ministers like Pimentel and Jaime Ongpin who seem to be going their own merry way with little respect for public opinion, quite possibly because the party has not yet laid down the law.

In any event, pending the formulation of a platform which should establish the relationality of this new administration, the new ministers might do well to analyze what people power really wants and act accordingly. They are, after all, mere extensions of that power.

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PHILIPPINES

EDITORIAL PRAISES RESTORATION OF HABEAS CORPUS

HK050845 Manila BULLETIN TODAY in English 4 Mar 86 p 4

[Editorial: "Aquino Fulfills Promise"]

[Text] From the start, when martial law was lifted, the continued suspension of the privilege of the writ of habeas corpus in two regions in the south and as to persons arrested on suspicion of having committed crimes against the national security raised eyebrows. It was perceived to be a heavy-handed measure at a time when the emergency was declared to be over.

The suspension of the privilege was made the basis of various types of orders that were to be hotly contested before the Supreme Court.

The legality of the suspension and the measures emanating therefrom was upheld but that did not stop the resistance to the measures. Parenthetically, the pronouncements of trial courts and of the Supreme Court in certain cases strengthened the verdict of immorality.

Plain workers were being hauled off to detention camps simply because they were active unionists. Physicians, teachers, and members of the clergy were being arrested simply because they had been heard to espouse dissident views.

Only the most notable arrests reached public attention. In the hinterlands, however, hundreds fell victim, driving young men and women to the hills in desperation. Thus, while the suspension of the privilege was aimed ostensibly against the rebellion, it turned out to have a contrary effect.

In reinstating the privilege of the writ, President Aquino corrected an anomaly of grave proportions. While most of us have not been arrested or detained, the suspension did cause suffering to a lot of honest folk, warped character and values, and retarded progress.

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MNLF LEADERS IN MALAYSIA TO BE INVITED FOR DIALOGUE

HK050727 Quezon City DZFM Radio in English 0400 GMT 5 Mar 86

[Text] Two government representatives have been sent to Malaysia to invite about 10 MNLF leaders in Sabah to return to the Philippines. Colonel Ernani Fiqueroa of the Philippines Constabulary and Datu (Herdauti Abbas) of the Bangsa Moro [Moro nation] Islamic Party will convince these MNLF leaders for a dialogue with the present administration. The MNLF leaders now in Sabah include Commander Dimas Pundata, and Sultan Makapanton Abbas Jr.

For added details, here is Jojo Ismael:

[Begin Ismael recording] The Bangsa Moro Islamic Party, or the BMIP, lauds the significant acts of the incumbent President Corazon Aquino of inviting the leaders of the Moro National Liberation Front based in Sabah, Malaysia, particularly Commander Dimas Pundato, chairman of the Executive Council of the MNLF, and Sultan Makapanton Abbas Jr, chairman of the High Political Council and the Foreign Affairs Committee of the MNLF as well as president of the Bangsa Moro Islamic Party, to come home and have a dialogue with the new national leadership.

[Words indistinct], secretary general of the BMIP, said the leaders of the party likewise commend Defense Minister Juan Ponce Enrile for recommending this invitation of the MNLF leaders to the president.

With this development, the BMIP leaders are confident that under the new government, the political objectives of the Bangsa Moro for real autonomy in southern Philippines within the territorial integrity and sovereignty of the Republic of the Philippines will be realized and the repatriation of more than 200,000 Moro refugees in Sabah and the real economic development of the south will begin. [end recording]

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RELEASED PRISONERS TELL OF TORTURE WHILE DETAINED

HK060722 Hong Kong AFP in English 0705 GMT 6 Mar 86

[By Joel Paredes]

[Text] Manila, 6 March (AFP)--Political prisoners released by the new Philippine Government have told of beatings, electric shock treatments and other forms of torture during years of captivity under ousted strongman Ferdinand Marcos.

President Corazon Aquino last week ordered the release of nearly 500 such political prisoners, excluding 4 top communist leaders, but the 4 were freed Wednesday.

Bernabe Buscayno, founder of the communist New People's Army (NPA), said after more than 3 years in a small, dingy room, he was padlocked in a toilet.

The frail-looking ex-detainee said this was "the worst form of torture" during his nearly 10 years inside a maximum security prison at nearby Camp Crame.

Mr Buscayno, 42, related to AGENCE FRANCE-PRESSE his harrowing experiences following his arrest by troopers who forced him to admit he was the leader of the NPA, military wing of the banned Communist Party of the Philippines (CPP).

He displayed scars from cigarette burns inflicted by captors who mauled him, kicked his testes and beat him with rifle butts.

Mr Buscayno and other freed prisoners agreed that they suffered deep mental scars from the "years of brutal repression."

For former CPP Chairman Jose Maria Sison, every time he looks at his wrists he remembers how he was handcuffed to a cot for 18 months.

Mr Sison, 47, said after being subjected to the "water cure"--forcing water up the nostrils--and other forms of torture, his interrogators locked him in solitary confinement in what he described as a "small box."

Mr Sison and his wife Juliet were arrested in 1977. She was first held in a separate cell before being allowed to join her husband, and was eventually released 3 years later after she gave birth to a son conceived in prison.

Mr Sison, also released Wednesday, said he had forgiven his captors but was not discouraging other detainees from taking legal action as "you cannot clean up the armed forces if the victims do not file charges against their torturers."

Another prisoner, Ruben Alegre, said his military interrogators had injected him with truth serum to make him admit involvement in the killing of Metro Manila policy Brigadier General Tomas Karingal in 1984.

Mr Alegre said he had also been subjected to electric shock treatment and hit with automatic rifle butts. After the physical torture, he was locked inside an isolation cell for more than 4 months, he said.

"The very atmosphere of you being in the hands of the enemy, that's torture," remarked former community organizer Isagani Serrano.

Arrested twice since 1973 for alleged communist activities, Mr Serrano said he had been given the "honey treatment" whereby his military interrogators continuously forced him to "cooperate" without inflicting physical harm.

"Pushing you in a very compromising situation like interrogating you for hours and without any let-up, these people asking the same questions, was really tormenting," said the 38-year-old Mr Serrano.

He said the effect of this "soft approach" was no different from his first arrest, when he was forced to strip in a cold, air-conditioned photography dark room where he was mauled for 8 hours.

Looking at torture as "a phenomenon resulting from a repressive regime and not merely a result of one political aberration," psychiatrists and other doctors have formed the Philippine Concern Against Torture (PACT).

Psychiatrist June Pagadum Loiez, who says the former detainees are "a special group of patients," has led the formation of a "torture clinic" but stressed that it was set up "not to intimidate or harass the military."

"We call on the military to help us. Torture victims are coming to us for help. Don't consider it a threat," she said.

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LAUREL MEETS AQUINO ON LOCAL OFFICIALS ISSUE

HK070358 Manila TIMES JOURNAL in English 6 Mar 86 pp 1, 6

[By Vicente Tanedo and Elena Rovira]

[Text] Vice President Salvador H. Laurel conferred yesterday with President Aquino on measures to mend party fences shaken by an international squabbling on the status of local officials.

This problem was best exemplified in Makati and Malabon where two groups of the so-called people power continued to hold pickets, with one group pressing for the retention of the local officials and the other advocating a change in leadership.

Laurel, founder and president of the United Nationalist Democratic Organization [UNIDO] that joined Laban [people's struggle] in supporting the Aquino-Laurel ticket in the 7 February election, is also expected to meet with former Senator Rene Espina, who has upheld the right of incumbent local officials to continue in office until their successors have been elected or appointed.

The intramural stemmed from contradicting stands of other party stalwarts who demand, in the name of the revolutionary government, the ouster of local KBL officials and their replacement by UNIDO appointees.

Laurel said this is not much of a problem since Local Governments Minister Aquilino Pimentel had ruled that local officials may continue holding their elective positions.

No information, however, was available on what transpired during Laurel's meeting with the president, but sources said that several options to solve the squabbling were discussed.

Laurel, the sources said, had expressed confidence that Mrs Aquino is "more than capable of handling these problems and that these do not pose any threat to party unity."

He pointed out that all big political parties, especially after an election victory are expected to deal with intramural problems.

The Makati mayoralty row, despite assurances from the national leadership, had remained unresolved. Lawyer Jejomar Binay, appointed by Pimentel as officer-in-charge of the town when Makati Mayor Nemesio Yabut died last 26 February, is holding on to the position even as elected Vice Mayor Johnny Wilson continued holding office at the third floor of the town hall, vowing to keep up his fight for his post.

One of Binay's first moves was to grant a P100 increase in the allowances of municipal employees.

In Malabon, groups of KBL and UNIDO supporters massed in front of the town hall yesterday but remained in a quandary on how to choose a new mayor to replace Meynardo Espiritu who resigned last week.

In KBL group, numbering about 200, is insisting on appointing Vice Mayor Amado Vicencio while the 70-man UNIDO group headed by Sammy Chua, a mayoralty aspirant, wants an early election to choose the town executive.

The two groups apparently have grown impatient and held the demonstration to call the attention of higher authorities on the problem of the absence of a town mayor.

At the Makati town hall yesterday, people were surprised by a sign posted outside Binay's office that reads. "All those who would like to see Mayor Binay must first see his secretary Lina Reyes before entering the room of the mayor."

Residents said that during the time of Mayor Yabut, the poor people could come in and go out without being stopped by Yabut's aide.

Most of the people who flocked to the town hall yesterday were seeking help on the free hospitalization program started by Yabut at the Makati Medical Center.

Also inside the town hall, more than 4,000 employees fear that they might not receive their salaries on 15 March after the Treasurer's Office discovered that the local government had run out of money.

Binay has reportedly discovered through an internal audit that the town government had plenty of unpaid debts, including a P1-million bill for gasoline expenses incurred by officials.

About 2,500 permanent and casual employees and some 200 working casuals were not paid their salaries last month.

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TRIBESMEN DISSUADED FROM DEMOLISHING MARCOS BUST

HK070509 Hong Kong AFP in English 0454 GMT 7 Mar 86

[Text] Manila, 7 March (AFP)--Tribesmen planning to demolish a four-storey high concrete bust of fallen strongman Ferdinand Marcos have agreed to keep off the statue until further talks with officials, the Tourism Ministry said Friday.

The bust, showing Mr Marcos with a serious, distant gaze, is located in government-appropriated Ibaloi tribal lands in La Union Province north of here. It is part of a tourist complex, managed by the ministry, that also includes a golf course, a hotel and two hotels. [sentence as received]

The tribesmen had invited journalists to cover a demolition ceremony Sunday.

Tourism Minister Jose Antonio Gonzales's spokeswoman Narzalina Lim told AGENCE FRANCE-PRESSE that a delegation of Ibaloi tribesmen met Friday with the minister at his office here and agreed not to carry out the planned demolition.

"We agreed that they will not blast the stone face until we have discussed it some more," the spokeswoman said.

She said the Ibalois were allowed to proceed with festivities marking a "youth week" celebration by various tribes at the complex on Sunday and were named guardians of the bust along with troops already stationed there.

At least 4 million pesos (185,000 dollars) in Marcos government funds was used to construct the mountainside bust, which the deposed president once described as done "in poor taste" by overzealous supporters.

His tourism minister, Jose Aspiras, was behind the construction of the bust.

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NET CREDITS, RESERVE MONEY LEVEL IMPROVE

HK050936 Manila BULLETIN TODAY in English 1 Mar 86 p 13

[Text] Credit net (of deposits) extended by the Central Bank [CB] to the national government balooned to P19,033 billion during the first week of February (3 to 7 February), preliminary figures of the CB have showed.

This means that the national government further stepped up early this month its withdrawals from the deposit balances with the CB.

As of the end of December last year, CB net credits to the national government stood at P13,704 billion.

With the P19,033 billion level of CB net credits to the national government as of the first week of February, the national government has withdrawn a total of P329 billion from its deposit balances with the CB since the end of December.

Various quarters, including certain personalities in the opposition, have alleged that the national government had used much money to finance the campaign spending of the Kilusang Bagong Lipunan (KBL) during the recently concluded Presidential elections.

Former Prime Minister Cesar Virata, however, said the government normally spends heavily during the early part of the year or the summer months to undertake various infrastructure and construction projects.

He explained that the pattern of government spending is usually heavy during the summer months and lighter during the rainy season when implementation of infrastructure projects slows down.

CB statistic also showed that the level of reserve money shot up to P41,382 billion on the week ending 14 February, a big jump from the P36.82 billion level last month.

The very high reserve money level was way beyond the targetted P37 to P38 billion committed by the government to the International Monetary Fund as part of the government's economic adjustment program.

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WORLD BANK TO LOAN MORE, INVEST

HK041322 Manila BUSINESS DAY in English 3 Mar 86 p 2

[By Conrado R. Banal III]

[Text] THe World Bank may invest in a state-owned company that will be formed to handle the disposal of assets acquired by government from the private sector during the Marcos regime.

BUSINESS DAY sources in the international financial community said World Bank officials, in private discussions, have hinted that the Philippines has regained "political credibility" in the eyes of international financial institutions.

They said the World Bank intends to give more loans to the Philippines and to invest in selected sectors to help rebuild the country's economy.

The World Bank investment will be on top of a $250-million loan for which the Philippines started to negotiate with the bank under the Marcos government. The loan will help service the foreign debts of government banks, particularly Development Bank of the Philippines [DBP] and Philippine National Bank [PNB].

The Marcos government proposed this loan to the World Bank under the so-called restructuring program for government financial institutions, but up to its ouster, was unable to firm up an arrangement.

The Asian Development Bank, another multilateral financial institution which together with the World Bank provides the bulk of development assistance to the Philippines, may also invest in the new government firm.

A source in the ADB said both the World Bank and the ADB consider the transfer of those government-acquired assets back to private hands as among the "top priorities" in the country's economic recovery.

Estimated at more than P100 billion, those assets are big burdens on PNB, DBP and National Development Co [NDC].

Most of them are producing at well below capacity, if not altogether idle.

If they do not dispose of those assets, PNB, DBP and NDC will need funds from the national government to repay their maturing foreign debts which they used on those assets.

"The new government does not have any choice but to pursue the old government's plan to sell those assets," the source in ADB commented.

Many foreign bankers based here agree that, with government's new found "credibility," the country may see a revival of interest in business ventures. In the countryside, for instance, there are prime areas for aquaculture which DBP and PNB have foreclosed.

But the problem of communist insurgency has prevented investors from buying those properties from the government banks. If government succeeds in attracting the communist rebels to its fold, the resulting peace and order will inspire investments in fisheries and farming, a banker commented.

At the moment, however, the new government still has to decide on whether to follow the corporate setup in disposing of government acquired assets. Technocrats in the Marcos government had conceived the setup.

A source in DBP said Finance Minister Jaime V. Ongpin wants to see the studies of DBP Chairman Cesar Zalamea's on DBP's rehabilitation.

Part of Zalamea's plan is to create a government corporation--Assets Management Co (AMC)--which will absorb the acquired assets of government financial institutions. Former President Marcos on Zalamea's request, had issued Presidential Decree [PC] No 2012, dated 20 January--which created AMC.

Two weeks later, on 4 February, Marcos issued PD 2030, superceding PD 2012, a recommendation of former Trade and Industry Minister Roberto V. Ongpin.

The later decree created two firms--AMC and a trust company--to handle the disposal of government-acquired assets. The trust comapny was supposed to farm out the assets to different government entities, including AMC.

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ECONOMIC INDICATOR ON FOREIGN ASSETS

HK050913 Manila BUSINESS DAY in English 4 Mar 86 p 2

["Economic Indicator" column: "Negative Net Foreign Assets Rise"]

[Text] Foreign assets of the Central Bank [CB] and deposit money banks fell short of their foreign liabilities in November, resulting in a deficit of P120,176.4 million in the net foreign assets account of the monetary system, data from the CB showed.

The shortfall was 15.31 percent bigger than the P104,221.5-million deficit recorded in the same month the previous year.

The bigger gap was due to the hefty increase in the CB's foreign liabilities which outpaced the growth in its foreign assets. Liabilities, consisting mostly of foreign loans payable, currency deposits of foreign currency deposit units (FCDU's) and offshore banking units (OBU's) and CB certificates of indebtedness (CBCI's) rose 49.24 percent to P101,830.7 million from P68,235.9 million. Foreign assets, on the other hand, which include such claims as interest receivables of non-residents grew 44.91 percent to P21,262.2 million from P14,672.8 million. The result was a bigger gap of P80,568.5 million compared to the previous year's deficit of P35,563.1 million.

In contrast, the net foreign assets position of deposit money banks showed an improvement with the deficit trimmed down to P39,607.9 million from P50,658.4 million. Foreign assets fell 12.31 percent from P43,151.7 million to P37,842.2 million but this decline was offset by the 17.44 percent decrease in foreign liabilities from P93,810.1 million to P77,450.1 million. Foreign assets of deposit money banks consist of receivables from foreign banks, foreign bonds, securities, currencies and exports and foreign bills while foreign liabilities are amounts due to banks abroad, deposits by FCDU's and OBU's, bills and payments orders payable, drafts issued and outstanding and obligations to nonresidents.

Net Foreign Assets of the Monetary System as of November, 1985 and 1984 (in million p)

	1985pl	1984	Percent Change
Total	-120,176.4	-104,221.5	15.31

Central Bank			
Net	-80,568.5	-53,563.1	50.42
Assets	21,262.2	14,672.8	44.91
Liabilities	-101,830.7	-68,235.9	49.24
Deposit Money Banks			
Net	-39,607.9	-50,658.4	-21.81
Assets	37,842.2	43,151.7	-12.31
Liabilities	-77,450.1	-93,810.1	-17.44

pl Preliminary
Sources: Central Bank

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FINANCIAL ENVIRONMENT BEGINS IMPROVING

HK050919 Manila BUSINESS DAY in English 4 Mar 86 p 2

[By Conrado R. Banal III]

[Text] Consistent signs are proving what Central Bank Governor Jose B. Fernandez Jr describes as a "marked improvement in the financial environment."

Interest rates on loans yesterday started to drop, in a movement which the CB itself caused. The peso in the past few days has reversed its 3-month losing streak against the dollar, because of a sudden inflow of foreign exchange into the banking system and eventually, into the CB.

Fernandez told reporters yesterday that "any slippage" in this quarter's monetary program committed to the international Monetary Fund will be "significantly modified."

He indicated that if the CB would miss the monetary targets, the IMF might be willing to change or waive its requirements.

The CB governor, who only 2 weeks ago was "not optismistic" about the country's chances of fulfilling its commitments to the IMF because of massive government borrowings from the CB before the presidential election, yesterday reported the following:

--Dollar speculation has stopped;

--Gold and dollar acquisition of the CB is at its all time high; (Gold sales to the CB completely stopped during the past 2 months.)

--The stock market has perked up, possibly because of the entry of money from abroad;

--Interest rates are under downward pressure because of the sudden absence of loan demand for speculations. (Bankers said investors are avoiding other types of financial investments such as dollar assets.)

--There is no visible hoarding of goods.

Fernandez also revealed that the CB's measures to take money out of circulation are finally paying off.

BUSINESS DAY sources in the CB said that last week the CB was able to freeze more than P5 billion through its sales of Treasury bills and CB bills, its main tolls in mopping up liquidity in the economy.

The CB may thus be near the level of "reserve money"--cash issued by the CB which indicates the overall funding available--promised to the IMF for end-March.

Reserve money was about P40.5 billion as of last 21 February, as against a peak of P44.3 billion a couple of weeks ago and against the target of P37.4 billion in the IMF program.

Last week's mammoth sale of government IOUs could bring about a drop in the reserve money, a ranking CB official said.

This is why the CB suddenly can afford to relax its grip on money supply. After raising by 7 percentage points its interest payments on government IOUs only 2 weeks ago to attract buyers among banks and the public, the CB yesterday reduced those payments by 3 percentage points, from between 28 percent and 30.5 percent a year to between 25 percent and 27.5 percent.

The drop will trigger similar reductions in bank lending rates and can encourage business to borrow, bankers said. But if companies expect further drops in interest rates, they may postpone their borrowings until the rates stabilize, they noted.

The peso yesterday also recorded its biggest single day gain since January last year. The official peso-dollar guiding rate was registered at P21.673 per dollar from Friday's P21.872 per dollar.

Bankers said banks have disposed of their dollars because they expect the peso to strengthen some more.

More dollars are going into banks with the suspension of blackmarket operations which the Marcos government had controlled. Yesterday, people lined up at the CB Cash Department to exchange their dollars for pesos.

Fourteen banks sold $63.2 million to the CB and $2 million to the Philippine National Bank. The biggest sellers were Bank of America with $23 million, Bank of the Philippine Islands and Philippine Commercial International Bank with $10 million each.

Meanwhile, Fernandez said he has asked the IMF to start next week its review of the country's economic performance. A favorable IMF review will enable the country to draw some $550 million in loans--$200 million from the IMF and $300 million from foreign banks.

Fernandez said the IMF, constantly in touch with the CB, is "aware of what happened" in the past weeks, obviously referring to the change in government and the effects of the massive election spending on the economic program.

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CSO: 4200/774

CENTRAL BANK HEAD: NEW GOVERNMENT HALTED CONFIDENCE EROSION

HK051524 Hong Kong AFP in English 1512 GMT 5 Mar 86

[Text] Manila, 5 March (AFP)--The next 3 to 6 months will be critical for the Philippine economy, Central Bank Governor Jose Fernandez said Wednesday.

The new government of President Corazon Aquino had halted an erosion of confidence in the Philippine economy within 48 hours of taking over a civilian-military revolt toppled President Ferdinand Marcos last week after 20 years in power, Mr Fernandez said in a statement.

But he warned that "enough good things must happen so that we do not lapse back into the inertia and the lack of interest of the business community that we have witnessed for the past 2 years."

Stressing that the fight against inflation was "my most important concern," Mr Fernandez said that the annualised inflation rate for January was 3.8 percent, compared with 62 percent for October 1984.

The Philippine economy plunged into crisis in 1983, following the August assassination of opposition leader Benigno Aquino, who was Mrs Aquino's husband.

Mr Fernandez was appointed Central Bank governor under Mr Marcos in January 1984 and helped work for the restructuring of the Philippines' foreign debt as the economic crisis continued.

He has been retained by the new administration.

The peso has recovered and the stock market has perked up in the past week, but Mr Fernandez warned Tuesday that the government would not reach the IMF performance targets set for 31 March, partly because of cash withdrawals by the Marcos regime before the 7 February presidential election.

He asked for more time to reach performance targets set by the International Monetary Fund (IMF) for new credit, and an IMF team is due here next week to assess the situation.

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PHILIPPINES

REACTION OF CHINESE BUSINESS COMMUNITY TO MARCOS' FALL

HK050853 Hong Kong AFP in English 0833 GMT 5 Mar 86

[By Teodoro Benigno]

[Text] Manila, 5 March (AFP)--The bulk of the Chinese business community here supported the overthrown regime of ex-President Ferdinand Marcos and some even believe he can make a comeback, a Chinese-Filipino businessman said Wednesday.

The businessman said the loyalty of top Chinese businessmen to Mr Marcos was largely due to their ultra-conservative nature and the fact that thousands of them were given Filipino citizenship by the ex-president, who wanted the Chinese on his side.

Benito Dy told AGENCE FRANCE-PRESSE he was one of a handful of Chinese-Filipino businessmen who had openly supported President Corazon Aquino.

Mr Dy explained that traditionally "the Chinese never want to show their true colors regarding politics."

Calling the shots for the Chinese in this country is the federation of Filipino-Chinese Chambers of Commerce and Industry, headed by Johnny Cheng.

The federation members "just follow," Mr Dy said.

Asked to quantify the financial support given by federation members to Mr Marcos in the 7 February presidential election, widely held to have been rigged in Mr Marcos' favour, Mr Dy said he had "no way of knowing for sure."

But he speculated Mr Marcos could have got 80 percent of Chinese election funds and Mrs Aquino only 20 percent.

Said Mr Dy: "There are some Chinese who refuse to believe that Marcos is beaten, and who think he can still stage a comeback."

Few pro-Marcos Chinese businessmen will talk openly, but one, who declined to be identified, said: "For us, business is a matter of life and death, and we always support the incumbent president.

"If he gets defeated, it is business as usual and we switch our support to the new president."

Chinese and Chinese-Filipino businessmen are engaged in a wide range of businesses and industries, among them textiles and garments, banking, importing factory equipment, hardware and sugar milling.

Their financial support in presidential and other elections here is generally considered crucial, and political parties usually vie for Chinese backing, which is said to run to millions or tens of millions of pesos.

Mr Dy classified the Chinese-Filipino business community in three age groups.

He said the hard-core Marcos loyalists were generally those aged 60 and above and that "these are the ones who have the most money."

Those aged between 30 and 50 are "in between," he said. They have ties to both their elders and their juniors, and still speak a little Chinese--largely Fukienese--but were educated in elite Philippine schools.

The under-30's speak English and Filipino flawlessly, can hardly be distinguished from native Filipinos, and many take graduate studies courses abroad, particularly in U.S. universities, he said.

There was a time when the Chinese community in the Philippines numbered anywhere between 1 million and 1.5 million, but many became naturalized Filipinos, and the only ones who remain really Chinese are the elders.

Today, the Chinese probably number less than half a million, and the number is fast dwindling as the younger generation, already Filipino citizens, intermarry with Filipinos of non-Chinese ancestry.

Mr Dy said he had tried his best to convince leaders of the Chinese business community to come out in the open for Mrs Aquino but failed.

He said he could not even get them to discuss the issue formally.

Mr Dy said his open support of Mrs Aquino in the election elicited a number of warnings from his friends to be careful lest something happen to him.

Mr Marcos was overthrown on 22 February. He fled the country after a military-led pro-Aquino rebellion supported by civilians.

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COMMISSION BELIEVES 'MILLIONS' OF DOLLARS MOVED TO HONG KONG

HK060 504 Hong Kong HONG KONG STANDARD in English 6 Mar 86 p 1

["Exclusive" report by Henry Parwani" "Marcos Millions Stashed in HK"]

[Text] A presidential commission set up to try to recover about U.S.$3 billion (about HK$23.4 billion) which former Philippine President Ferdinand Marcos has reportedly ferried out of the country, believe that "hundreds of millions" of dollars are still in Hong Kong.

They believe they may have evidence showing that the money here is invested in a financial institution and real estate among other businesses--all under the names of shell companies and friends.

This was disclosed to the Standard yesterday by Dr Pedro Yap, one of the four commissioners on the five-member board appointed by President Cory Aquino to recover money allegedly hived off by the Marcos family and his associates.

The group--the Presidential Commission on Good Government--is headed by former Senator Jovito Salonga, who is now a cabinet minister.

In an exclusive telephone interview, Dr Yap, who has a doctorate in law, said: "This is not just hearsay--we think we have the documents to prove this."

Dr Yap disclosed that "mountains of documents" we seized from the Malacanang Palace stronghold and other addresses, including home of relatives, soon after Mr Marcos fled the country.

Investigators, he said, were still sifting through the documents, some of which could point to investments in Hong Kong.

They have information that none of his investments here are registered directly under Mr Marcos or his wife Imelda, although the former first lady often made unscheduled private visits to the territory, Dr Yap said.

However, the commission has come across documents to substantiate claims which enabled lawyers to successfully apply for a restraining order to freeze the sale of five properties in New York, valued at U.S.$350 million.

"We will find more evidence as we go through the rest of the documents. Our investigation is only at a very early stage."

Dr Yap said he believed much of the money taken out of the country during Mr Marcos' 20-year rule came through Hong Kong before it was diverted to other countries.

But some went direct to the United States and elsewhere from Manila.

He said he expected investigators to uncover more evidence when they have fully combed through all the documents.

Dr Yap said he expected dramatic disclosures on holdings and secret funds abroad if they can receive access to crates of documents which the U.S. Air Force transported out of the country for the Marcoses.

The documents--among crates which reportedly included millions in cash, gold bullion, jewellery and securities--have been impounded by American Customs pending the outcome of a tussle over their legal ownership.

Dr Yap said they hoped these documents could help them pinpoint more of the secret holdings.

The commission has sent representatives to the United States where they believe the bulk of the investments may be located.

Hong Kong may also be one of the stops the representatives of the commission may make in their investigations.

Dr Yap said investigators were also getting details of private flights made here by a Lear executive jet in recent weeks and the reported shipment of funds through the government-owned Philippine Air Lines.

They also have the registration of an Air Mindanao jet believed to have taken out up to U.S.$10 million at a time.

The money is believed to have been deposited in a local bank.

People connected with these flights would be questioned because the runs were believed to have been made for the Marcoses.

Dr Yap said investigators would also question those involved in a private flight which took Mrs Edna Camcam, reportedly the mistress of former armed forces chief and Marcos strongman Fabian Ver, and her two daughters to Hong Kong last week.

The turbo-jet returned to the Philippines the next morning after ferrying the trio here, reportedly with more than U.S.$150,000 in cash and other valuables.

Mrs Camcam and her daughters left for the United States last Sunday.

Although it has not been established how much have been siphoned off during Marcos' reign, official leaks by America's Central Intelligence Agency said the family holdings alone could be in the excess of U.S.$3 billion although Mr Marcos, as president, drew only U.S.$57,000 a year in salary.

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PHILIPPINES

BRIEFS

ABOLISHMENT OF DEFENSE OFFICES--Defense Minister Juan Ponce Enrile has abolished the office of the five deputy defense ministers and replaced them with just one deputy minister of defense. Enrile along with Armed Forces Chief General Fidel Ramos, also recommended the abolition of the National Intelligence and Security Authority and reduced the number of men in the Presidential Security Command. These two military units were formerly headed by former Armed Froces Chief General Fabian Ver. [Text] [Beijing International Service in Tagalog 1130 GMT 4 Mar 86 HK] /12232

GRANT-IN-AID SCHEME--Local Government Minister Aquilino Pimentel said he plans to adopt a grant-in-aid scheme to spur national economic recovery. He said that under this scheme, the government will provide the cost of processed materials while the people can put up the local materials and contribute their labor to a project on a 50-50 basis. A people-government partnership, this scheme is in keeping with the people's support in installing the present administration to power. Pimentel said the grant-in-aid is the best way to maximize the limited resources of the government. [Text] [Quezon City DZFM Radio in English 1200 GMT 6 Mar 86 HK] /12232

CRACK DOWN ON ILLEGAL LOGGING--The joint teams of the Natural Resources Ministry and the Philippine Constabulary [PC] launched the campaign against illegal loggers. Among the initial operations is one against illegal loggers in Aurora Province. Several truckloads of illegally cut timbers have reportedly been spotted departing Aurora Province. The trucks have reportedly been from a logging concession owned by a Marcos in-law. Natural Resources Minister Ernesto Maceda said the campaign against illegal logging involves apprehension as well as prosecution. [Maceda recording indistinct] [Text] [Quezon City DZFM Radio in English 0400 GMT 6 Mar 86 HK] /12232

JSP TO URGE MORE AID--Manila, 6 March (AFP)--The opposition Japanese Socialist Party, which had opposed aid to the Philippines under then President Ferdinand Marcos, said here Thursday it would now lobby for more aid for the new government of Corazon Aquino. The Socialist Party would henceforth pressure the government to release more aid to the Philippines to the level that would correspond to its people's "real needs," Takako Doi, the vice president of the party, told AGENCE FRANCE-PRESSE here. The socialists had been blocking official aid to the Marcos government, which was overthrown by a near-bloodless uprising last week, on the ground that the assistance was allegedly being used to "prop up the dictatorship." Miss Doi and Yasuko Takemura, another socialist parliamentarian, paid a courtesy call on President Aquino earlier today. [Text] [Hong Kong AFP in English 1518 GMT 6 Mar 86 HK] /12232

CSO: 4200/774

DEBATE FOCUSED ON ATHIT EXTENSION CONTINUES

ACM Praphan Candidacy for Supreme Commander

Bangkok SU ANAKHOT in Thai 19-25 Feb 86 pp 10-12

[Unattributed report: "Praphan-Big Chiu, New Data: the Military in 1986"]

[Excerpts] Gen Prem Tinsulanon has indicated that he will resolve the issue of granting another extension to the supreme commander and RTA CINC using the same policy as before. That is, he will remain above the fray. The only thing that he has said about this matter is that he will make a statement at a later time.

A report confirmed that Gen Chuthai Saengthawip, the deputy RTA CINC, raised the issue of granting another extension to Gen Athit at the 30 January meeting of the Defense Council. This received strong support from Gen Banchop Bunnak, the chief of staff officers. But Gen Prem, who presided at the meeting, asked to be excused from the meeting, saying that "I do not want to take part in the discussions on this matter."

When reporters asked Gen Prem about this meeting, he said that this matter was not discussed at the Defense Council meeting. This is easy to explain. Because the chairman, that is, the minister of defense, did not participate in the discussion, the resolution of the officers present that day amounted to nothing more than a discussion among senior officers. It cannot be considered to be a resolution of the Defense Council. Thus, Gen Prem's statement that he will make a statement at a later time can be taken to mean that he is aware of this movement but that he does not want to make a statement at this time.

The factions that are opposed to granting an extension, particularly the democratic forces and certain people inside the military, are being allowed to voice their opposition in order to test the internal opposition to this. Time and conflict are the factors that are being used to solve the problem of granting an extension to Gen Athit.

Inside the Military and the Movement To Grant an Extension

The postcard campaign to obtain people's views on the extension, with the questions posed in such a way as to force the respondents to support the extension, has become a major issue. This matter was also discussed at the meeting of the Defense Council. And this created an even greater stir when Col Phiraphong Sanphakphisut, the acting commander of the Engineers Regiment, raised a hue and cry about the fact that the writer of the postcards told respondents to send their responses to Col Phiraphong. Regardless of what the truth about this is, this has served to keep the extension matter on the front pages of the daily newspapers.

Gen Sitthi Chirarot, a senior person in the government, took a clear position on this postcard opinion poll when he asked whether cards had been sent to 50 million people. Gen Sitthi is famous for speaking out on every matter that arises. But in this case, his statement was probably not a matter of "speaking out as usual."

First, Gen Sitthi is a minister who is very close to Gen Prem. Gen Prem has great trust in him. Second, the secretary of Gen Sitthi is an officer who belongs to the class that now controls the bulk of the forces and that will determine the future of the army. Members of this class meet with Gen Sitthi regularly. From all of this, it can be seen what proportion of the forces opposes this extension.

As for Gen Chawalit Yongchaiyut, another important person who, with his great potential, will influence the course of events in the army, it is easy to see what effect this extension would have on him. Considering the role of Gen Chawalit and the officers in the class mentioned above, if we look at them from the outside, it may seem as if they are very disciplined and do things strictly "by the book." But that is an incorrect idea. This is because it is not difficult to see who stands to gain and who stands to lose.

Keep an Eye on the RTAF CINC, the New Target

After Gen Prem participated in an air force ceremony, there were reports about his having a long personal talk with Air Chief Marshal Praphan on the 5th. A few days later, an air force news source said that Gen Banchop Bunnak, the chief of staff officers, had gone to see Air Chief Marshal Praphan, too.

The role of Gen Banchop in this period seems clear. After voicing his support for granting an extension at the meeting of the Defense Council, he tried to meet with Gen Prem in order to explain this. What has happened clearly shows the importance of Air Chief Marshal Praphan at the present time. Air Chief Marshal Praphan is from the same class as Gen Athit. There has never been a conflict within the class. And previously, there were reports about the close relations between the families of Air Chief Marshal Praphan and Gen Athit. It was said that a son and daughter from these two families were engaged to be married. But that was just gossip.

In the three branches of service, Air Chief Marshal Praphan is the senior commander and the person most suited to being promoted to supreme commander in conjunction with serving as RTAF CINC, a position that he has held since September 1985. If Gen Athit is not granted another 1-year extension in September 1986, the army and navy will both have new commanders, and, therefore, there will not be any obstacles as far as the seniority or suitability of Air Chief Marshal Praphan is concerned. He will not retire until 1987.

The Prestige of Air Chief Marshal Praphan

It is said that Air Marshal Kaset Rotchananin, the deputy air force chief of staff and a member of Chulachomklao Royal Military Academy Class 5, is very close to Air Chief Marshal Praphan. Air Chief Marshal Praphan is said to have great confidence in him. The links between members of CRMA Class 5 and the present RTAF CINC seem to be very strong.

Because of his seniority and the fact that he has never been involved in a conflict with the power poles, the present RTAF CINC is being compelled to use his prestige to resolve the present conflict over the extension.

Praphan-Big Chiu, New Data in the Military

As mentioned above, Gen Prem's actions toward Air Chief Marshal Praphan have generated much talk among senior officers. This is like a rumor being spread among senior officiers in order to test their reaction. And it's something new.

One senior military officer told SU ANAKHOT that a new rumor has arisen in the military and that is that it would come as no surprise if the RTAF CINC was appointed supreme commander in September 1986. All factions would probably accept that, and it would not cause any conflicts within the military. The RTAF CINC is well suited to this position in every way.

The objective of this is to promote the idea that if Gen Athit is not granted an extension, the person who will take his place as leader of the military, that is, as supreme commander and RTAF CINC, will be Air Chief Marshal Praphan. This should help lessen the fears of those who are now pushing for an extension.

Army Secretary, Deputy CINC on Moves

Bangkok THAI RAT in Thai 8 Feb 86 pp 1, 18

[Excerpt] As THAI RAT reported previously, someone used the name of Col Phiraphong Sapphakphisut, the commander of the 1st King's Guard Engineers Battalion, when postcards were sent to get people's opinion on granting an extension to Gen Athit Kamlangek, the supreme commander and RTA CINC. Maj Gen Narutdon Detchapradiyut, the secretary of the army, said that this does not concern the army. This has not hurt the army because the army was not mentioned. The person who has been harmed is Col Phiraphong because he was the one who was mentioned. That is a personal matter of his. He must explain things.

A reporter asked whether this would be explained to the various units. The army secretary said that the postcards were sent in the name of a particular person. They were sent in the form of a questionnaire. Anyone could have done that. However, whenever the RTA CINC visits the units, he always reminds people not to believe the rumors and falsehoods. On the television programs, we constantly exhort people to unite and do what is right.

As for the reports that it was Gen Chuthai Saengthawip, the deputy RTA CINC, who proposed granting an extension to Gen Athit at a Defense Council meeting, a reporter interviewed Gen Chuthai about this at the Army Transportation Department. The deputy RTA CINC said that "I have nothing to say. The prime minister has already explained things." The reporter asked whether the reports were false. Gen Chuthai said that "it's like the prime minister said." The reporter said that he should explain this because it concerns him directly. People are very confused. The deputy RTA CINC replied that "I really have nothing to say about that. Let's talk about something else."

Publisher Comments

Bangkok LAK THAI in Thai 27 Feb 86 p 82

[Speak Thai column by Rattana Yawapraphat: "Athit and the Extension"]

[Excerpt] Looking at the factors for granting an extension to Gen Athit Kamlangek, the supreme commander and RTA CINC, it can be seen that the factors are different from those for granting an extension to Gen Prem. And they are even different from those that led to Gen Athit being granted an extension in the middle of 1985.

As for the factors being different from those in the case of Gen Prem, when Gen Prem was granted an extension, he already held a political position. Granting him a 1-year extension as RTA CINC served to ensure that his subordinates would not stage a coup against him. It ensured that no one would use the position of RTA CINC to seize power. But Gen Athit has never held any political position. The law currently in effect prevents him from holding a political position, which is different from when Gen Prem entered politics.

As for the factors being different from those in the middle of 1985, at the end of 1984 Gen Prem still had to rely on the power of the military and masses. And at that time, Gen Athit still had great power. But following the 1986 annual military reshuffle, officers loyal to Gen Prem took command of almost all the important units. And what is very clear is that during the 9 September 1985 rebellion, the forces loyal to Gen Prem were able to put down the rebellion in just 1 day. Thus, the need to keep Gen Athit in the military is not as great as before.

As for Gen Athit, the fact that he was granted an extension during the period 1985-1986 did not "gain" him anything. Gen Athit is just the RTA CINC and supreme commander. He is still subordinate to the minister of defense (Gen Prem Tinsulanon). That 1-year extension will soon come to an end. But Gen Athit has not been able to build a political base. Thus, there is no chance of him advancing politically as did Gen Prem.

Because of this, granting another 1-year extension to Gen Athit would be bad for Gen Athit. If he is granted another extension, he will become an old soldier who has no chance of advancing politically in the future. Not only will he have no chance of becoming prime minister, he will have no chance of being appointed minister of defense or minister of some other ministry. His only chance of continuing in public service is to announce that he is not seeking an extension and that he will run for election in 1987.

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CSO: 4207/180

THAILAND

COLUMNIST SEES U.S., VIETNAM PARALLEL IN PHILIPPINES

Bangkok MATICHON in Thai 6 Feb 86 p 7

[Article by Thawip Woradilok: "From Ngo Dinh Diem to Marcos"]

[Excerpts] As the date of the presidential election in the Philippines approaches, the campaign is becoming more intense and violent. It is worth noting that more and more reports critical of President Marcos are appearing in the United States. Such reports are coming from both congressional organizations and from within the administration itself. While such reports have appeared before and are common knowledge, there have never been such clear reports and so many of them right before a presidential election.

The U.S. government no longer considers Marcos to be a great friend. Rather, he is viewed as a corrupt dictator whom the U.S. government can no longer support. He is considered to be an enemy who must be toppled somehow.

Actually, such things happen all the time. That is, the United States supports the leaders of satellite countries. But in time, the people of these countries come to hate these leaders, and this hatred is directed at the United States, too. The U.S. government then plays a role in toppling those leaders, charging that they are corrupt and dictatorial. It says that it is appropriate for the people of the satellite country to eliminate them in order to bring about democracy or install an honest government.

Such behavior is nothing new. The United States began acting like this when it launched its holy war against communism and the Soviet Union. But what is strange is that the leaders of the satellite countries have never taken these lessons to heart even though the political stakes are very high for them. They are "playing" for their power and lives. The list of such leaders includes Chiang Kai-shek, Ngo Dinh Diem, Nguyen Van Thieu, Katai Sasorit, Lon Nol, Armas, Trujillo, and others.

Among these former leaders, Ngo Dinh Diem, the president of South Vietnam from 1955 to 1963, deserves special mention. Several U.S. administrations placed great trust in this South Vietnamese leader and held him in great esteem. The organization that plucked Diem out of obscurity and turned him into "South Vietnam's Man of Steel" was the CIA, which had scored results of a similar nature in the Philippines.

During the initial period of his presidency, Ngo Dinh Diem was showered with praise by the U.S. government. In 1957 he made a trip to the United States, traveling aboard the aircraft of the president of the United States. When Lyndon Johnson, the then vice president of the United States, visited South Vietnam in 1961, he praised Ngo Dinh Diem highly, saying that he was the "Winston Churchill of Asia." Robert Wagner, the mayor of New York City, said that "history will show that he was one of the giants of the 20th Century."

But later on, the government of Ngo Dinh Diem became a cruel dictatorship. The family of Ngo Dinh Diem was very corrupt, and the people of South Vietnam hated them. It reached the point where the government began mistreating Buddhist monks, nuns and laymen (the Ngo Dinh Diem family was Catholic). Being in the power of this family did great damage to the image of the United States in Vietnam. In the end, the United States took action on behalf of the Vietnamese people. In November 1963, history rendered its verdict when the Ngo Dinh Diem family was toppled in a coup d'etat. The same thing could very well happen to the Marcos family.

The Ngo Dinh Diem family was totally corrupt. The U.S. government did the people of Vietnam a great service when it helped put an end to this evil family.

But Ngo Dinh Diem was not the only despotic leader of this satellite country. Following him came Nguyen Khanh, Nguyen Cao Ky and Nguyen Van Thieu. What is sad is that what finally happened to all these despots never provided a lesson to those who replaced them as servants of the United States. And the United States government never learned either.

From Ngo Dinh Diem to Marcos is just a very short period. But a wall of despotism was built in order to block the development of democracy and oppose freedom and independence in those countries.

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CSO: 4207/168

EDITORIAL CONCERNED OVER HUMAN RIGHTS, CRITICIZES MPS

Bangkok THAI RAT in Thai 10 Dec 85 p 3

[Editorial: "Human Rights in Thailand"]

[Text] A seminar on the rights of the people subject to the laws concluded that people's rights are still being violated, particularly by unjust laws. The labor laws do not provide full protection to the laborers. Certain types of prisoners are not treated fairly by those officials charged with upholding the law.

The conclusion reached by those attending this seminar reiterated a truth about Thai society, which is that serious human rights violations occur here even though Thailand became a democracy over 50 years ago. More recently, a parliamentary system was established, a system that has lasted since 1979. Labor laws have been in effect for a long time, too. Some of these laws were promulgated during administrations that came to power as a result of a coup. Others were promulgated during the period of parliamentary administration. But none of these laws have been able to give the people real protection because of the loopholes in the laws.

One of the clearest examples is the minimum-wage law. There is widespread violation of this law. It is claimed that there are not enough officials to enforce the law. The same is true for the workmen's compensation law for workers who are injured on the job. There are steps that slow things down so much that this becomes an obstacle to seeking justice for the workers.

Even though the loopholes in these laws have existed for a long time, the units directly responsible have not taken any action to revise the laws in order to plug the loopholes. They just blame this on lack of sufficient manpower. Thus, they try to solve the problem by expanding the units and upgrading them to bureaus or ministries instead of thinking about efficiency. On one hand, this effort to expand or upgrade the units can be viewed as an attempt to give greater protection to the laborers. That's fine. But on the other hand, it can be viewed as an attempt to raise the ranks of the officials and create more positions in order to satisfy the desires of the officials for higher positions and salaries.

What is strange is that the MPs, who were elected by the people and who have been in office for almost two terms now, have done nothing to revise the unjust laws and the laws that contain loopholes favorable to the financiers. They have not made any attempt to examine this matter and make changes in order to protect the people's rights.

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CSO: 4207/164

COMMERCE MINISTER DISCUSSES JAPAN TRADE PROBLEMS

Bangkok MATICHON in Thai 31 Jan 86 pp 1, 2

[Excerpt] At 1400 hours on 30 January at the Oriental Hotel, the Chamber of Commerce of Thailand, the Thai Industry Association and the Thai Bankers Association hosted the sixth meeting of the Joint Thai-Japanese Trade and Economics Committee. Dr Somphop Susangkonkan, the president of the Thai Chamber of Commerce, headed the Thai delegation. Mr Yohei Nimura, the chairman of the Joint Thai-Japanese Cooperative Committee of the Japanese Economics Federation (Kedanren) headed the Japanese delegation.

Police Cpt Surat Osathanukhro, the minister of commerce, opened the meeting by saying that he wanted to depart from his prepared speech about expanding trade, establishing targets for exporting goods to Japan and investing jointly.

"This meeting is important to Thai in both the industrial and agricultural sectors. Approximately 35 million Thai, or 70 percent of the population, derives its income from agriculture. In the agricultural sector, most of the tools and equipment for production and cultivation comes from Japanese companies such as Kubota and Daihatsu. When the farmers sell their produce every year, they use the money to purchase luxuries from such companies as Toshiba and National. If we negotiate seriously, I am sure that both sides will benefit. And in the end, it will be Japan that benefits," said Police Cpt Surat.

At the meeting, Police Cpt Surat said that before import tariffs are lowered and the number of types of goods imported is increased, weshould see how sincere Japan is toward Thai farmers. An indication of this is how much corn Japan imports. Japan imports 14 million tons of corn a year. But this year it purchased only 30,000 tons from Thailand, which was just 0.002 percent of total corn imports. The same thing was true last year. It purchased only 6,000 tons of corn from Thailand. One the other hand, it purchased 11 million tons from the United States and 3 million tons from China. As for fruit, the Japanese people should see if they can tell the difference between imports from Thailand and the Philippines. Japan claims that Thai fruit has problems with fruit flies. For the past 5 years, Japanese experts have been providing help, but nothing has been achieved.

"There are many other issues that the Japanese private sector should raise in order to get the Japanese government to solve the problems with Thailand. The private sector in Japan carries great weight and could be of great help. Japan helped Thai farmers by recommending that they grow a certain crop. But later on when Thai farmers began producing large quantities, Japan purchased only small quantities and forced prices to drop. Thus, this meeting should formulate a plan to control long-term results concerning quality, quantity, and prices. The Japanese private sector has great expertise. If it cooperates with Thailand, both sides will benefit."

Later on, Police Cpt Surat said that Thailand must take resolute action to solve the economic and balance of trade problems with Japan. We must inform Japan that Thailand is experiencing difficulties and can no longer afford to show consideration for others. We must apply pressure. We cannot remain passive. Thai are very considerate by nature. But we can no longer act like that. Talking like this should achieve some results because he is speaking in the name of the Ministry of Commerce. The Japanese private sector will probably listen. A committee will be formed to monitor the results and solve the problems. We can't allow the private sector to handle everything by itself.

"Japan has said that it purchases little corn from Thailand because our corn has high concentrations of afla toxin. But Japan purchases large quantities from the United States even though their corn has higher concentrations of afla toxin than ours. This is a matter of maintaining revenue taxes and profits. Large Japanese farmers have invested in corn production in the United States. On the other hand, the small merchants want corn from Thailand, but they don't carry any weight. The large companies control things. Thailand must bargain with Japan. We purchase large quantities of goods from Japan. If we stop buying Japanese goods, that will harm Japan. Relatons will be affected, too. Japan doesn't want any country to think that Japan has the advantage and is insincere," said Police Cpt Surat.

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CSO: 4207/168

MP'S BACK MORE TRADE, BORDER CROSSINGS WITH LAOS

Bangkok SIAM RAT in Thai 1 Feb 86 p 11

[Unattributed report: "Northeastern MPs Submit Motion To Open Border Trading Points With Laos"]

[Text] Northeastern MPs have "joined together" and are preparing to submit an urgent motion to open additional Thai-Lao border trading points. They will also propose establishing trade with other Indochinese countries.

Mr Khlaeo Norapoti, a Social Democrat MP from Khon Kaen Province, and Mr Buntit Surapraphot, a Thai Nation Party MP from Surin Province, issued a joint statement at parliament. The statement said that northeastern MPs have discussed matters and will submit an urgent motion asking the government to open additional border transit points between Thailand and Laos in order to help boost the economy and improve political relations between the two countries.

Mr Khlaeo said that at present, the government has opened border crossings in Ubon Ratchathani and Mukdahan provinces only. That is not enough because Laos needs large quantities of goods from Thailand, and the economies in several provinces along the Thai-Lao border have not benefited as much as they should have. The MP from Khon Kaen said that Laos has a great need for such Thai goods as laundry detergent, clothing,soap, and toothpaste. Even though the Thai government has banned the sale of these goods to Laos, in fact, Laos obtains large quantities of these goods from third countries, particularly Singapore.

Mr Khlaeo said that the government should open additional Thai-Lao border crossing points in order to boost the country's economy, which is experiencing difficulties. Besides this, the government should expand trade markets with other Indochinese countries. In particular, it should open a border crossing in Aranyaprathet District in Prachinburi Province. The government could collect a border trade tax, which would increase the government's revenues.

Mr Khlaeo said that opening additional border crossings with Laos would also have political benefits. This would improve relations between Thailand and Laos and enable us to pull Laos out of the grasp of Vietnam.

"During the meeting of the Joint Public-Private Committee for Solving the Economic Problems that was held in Khon Kaen, people from the private sector recommended that the government open additional border crossings. But so far, no action has been taken on this. The government has designated rice, cigarettes and clothing as war materials. It allows Singapore to purchase these goods from Thailand and resell them to Laos," said Mr Khlaeo.

Mr Buntit Suraprapho has submitted an urgent motion to the speaker of the House of Representatives to have the government open additional Thai-Lao border crossings.

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COMMITTEE DISCUSSES THAI-LAO TRADE

Bangkok SU ANAKHOT in Thai 5-11 Feb 86 pp 30-32

[Unattributed report: "Was Anything Achieved at the Joint Public-Private Committee Meeting in Khon Kaen?"]

[Excerpts] The third regional meeting of the Joint Public-Private Committee on Solving the Economic Problems was held in Khon Kaen Province during the period 24-26 January. At the meeting, Gen Prem Tinsulanon, the prime minister, stated sharply that they should not think about getting anything from the government. Instead, they should think about what they can do to help the government.

Those attending the seminar were divided into three groups: the agricultural group headed by Dr Anat Aphaphirom, an advisor to the prime minister; the industrial group headed by Mr Michai Wirawaithaya, the deputy minister of industry; and the communications and tourism group headed by ML [royal title--FBIS] Choengchan Kamphu, the under secretary of finance.

Free Thai-Lao Trade, Still Counter to State Policy

The agricultural and industrial groups both recommended that free trade be established with Laos. In the past, the government has been very concerned about the security problem. It has feared that such trade would provide Laos with additional war materials. And so it reduced the number of border points from 12 points in 5 provinces (Nong Khai, Nakhon Phanom, Mukdahan, Ubon Ratchathani and Loei) to only 2 points.

On the average, Laos imports 1,546 million baht worth of goods every year. During the period 1978 to 1984, the value of imports ranged from 1.2 to 1.8 billion baht. According to the Customs Department, legal imports from Thailand totaled about 400-800 million baht a year, or approximately 30 percent. The rest are transit goods. Because Laos does not have production capabilities, most of the goods imported from Thailand are consumer goods.

Businessmen in the textile industry frequently point out that the clothing imported by Laos is made in Thailand. But other countries act as middlemen, which means that Thailand loses profits. Because of this, private businessmen and the provincial governors all agree that free trade should be established with Laos. There have been reports that Laos is building a road to link

Vientiane with Haiphong in Vietnam, which would facilitate communications. At the same time, Laos is beginning to trade more with other countries. Thailand, which has the advantage concerning transportation and communications, should take this opportunity to make profits. But Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, said that Laos has little purchasing power.

However, those attending the conference decided to give the provincial governors the authority to permit merchants to ship goods to Laos instead of requiring the merchants to obtain permission from the Ministry of Interior as before. And trade funds will be increased from 20,000 baht to 50,000 baht.

At the same time, a report stated that Air Chief Marshal Sitthi has asked the sectors responsible, such as the National Security Council, the 2d Army Region, the Internal Security Operations Command, the Ministry of Commerce and the Ministry of Foreign Affairs, to review the current list of banned goods.

Even though it may seem as if the government is trying to relax matters, permitting more trade still runs counter to the government's principles and policies. The short- and long-term effects of this should be considered in great depth in order to determine the best way out.

11943
CSO: 4207/168

4TH INFANTRY DIVISION COMMANDER PROFILED

Bangkok DAILY NEWS in Thai 27 Jan 86 p 5

[DAILY NEWS Square column by Nanthana: "A Couragous Soldier of the Nation Is the Commander of the 4th Infantry Division"]

[Text] At the beginning of October 1985, the commander of the 4th Infantry Division, Maj Gen Siri Thawiphan, was promoted to deputy commander of the 3d Army Region, which is headquartered in Phitsanulok Province. He was replaced by Maj Gen Choe Phothisinak, who was then serving as the deputy commander of the 4th Infantry Division.

The new commander of the 4th Infantry Division has always worked in the rural areas. Since graduating from the Chulachomklao Royal Military Academy, he has never been stationed in the capital. He has always been stationed in the provinces, mainly in the north. He was born at Ban Saladin in Muang Toei Subdistrict on 27 December 1933. He is the youngest of four children. His parents, Mr Son and Mrs Chan Phothisinak, who were farmers, are deceased now.

When he was a child, he attended primary school at the Wat Chang School near his home. He attended secondary school at the Wisetchaichan District secondary school. After completing lower secondary school in 1950, he decided to enter the military. He had wanted to be a soldier ever since he was a child. He attended a military preparatory academy and then entered CRMA as a member of Class 4. He graduated in 1958 and was appointed an acting sublieutenant in the infantry.

During his military career, he has held several important positions. He served as the leader of a small-arms platoon with the 4th Company Combat Team, 2d Battalion, Nakhon Sawan Province. Following that, he served as commander of an infantry battalion and then as the commander of an infantry regiment. He served as army commander in Chiang Rai Province. Following that, he was appointed deputy commander of the 4th Infantry Division, a position that he held for 3 years. He was then promoted to major general and appointed commander of the 4th Infantry Division last October.

During his military career, he has taken additional courses in order to keep abreast of matters. For example, he attended the Army Command and General

Staff College and the Army War College. He has participated in various social welfare activities and worked to develop the units under his command.

Because he is the son of a farmer and has spent his life in the provinces, he leads a very simple life. He is very frugal as far as dress and other things are concerned. He eats ordinary foods. His wife does the cooking herself. He is very serious about his work. During working hours, he requires all of his subordinates to pay strict attention to their work. And he works hard just like everyone else. But off-duty, he associates with his subordinates on an informal basis. If anyone has a suggestion about something, he will listen and consider the matter.

Maj Gen Choe Phothirinak, who is 52 years old, has a happy marriage. His wife, Oraphan, is a good housewife and mother. They have one daughter, Nanthaka, who is currently a second-year student at the Army Nursing College.

He has 8 years left before he retires. He is very serious about his work and derives much pleasure from his duties and responsibilities. He will undoubtedly rise much higher before he retires.

11943
CSO: 4207/164

ARMY, MFA CLARIFIES POLICY ON GOODS TO LAOS

Bangkok SIAM RAT in Thai 29 Jan 86 pp 1, 12

[Unattributed report: "Army Agrees That Review of Goods to Laos Is Needed"]

[Text] A military news report has informed SIAM RAT that at a meeting in Khon Kaen, the Joint Public-Private Committee for Solving the Economic Problems recommended that the goods now prohibited from being sold to Laos, or war materials, be reviewed. This matter has been reviewed in the past and periodic reviews must continue to be made in order to keep abreast of the market situation.

The report stated that the committee to review the goods will be composed of representatives from the Ministry of Foreign Affairs, the Ministry of Commerce and the National Security Council (NSC). Its recommendations will be submitted to the NSC in order to determine on which goods the ban will be lifted.

"If the number of war materials is excessive, we will take action on this. There aren't any problems," said the news source. He added that if Laos asks us to review matters, we will do so. But usually, Laos criticizes Thailand, saying that we restrict their imports. But they never mention the types of goods involved.

The news source said that there are several types of war materials, including truck and bicycle tires, oil, fertilizer and food seasonings. Quotas have been set on some types and others have been banned entirely. Fertilizer has been classified as a war material because it contains potash and nitrogen, which can be used to produce explosives. Food seasonings such as Ajinomoto can be used to stop bleeding.

However, the news source said that the ban on certain goods, such as fertilizer and food seasonings, should be lifted because it's very unlikely that Laos would use them to produce explosives or blood clotting agents. That would be too extravagant. It seems likely that the ban will be lifted. Thailand has set a quota on oil. But normally, Laos does not use the full quota. There is usually a surplus every year.

"Take fertilizer, for example. We have to see whether Laos intends to use this to produce explosives. But I don't think that that is very likely. Even spray polishes are considered to be war materials. Merchants have requested that the ban be lifted. We investigated to find out why they were ordering such large quantities and discovered that they were using this to clean weapons," said the news source.

As for the request to open additional border transit points, the news source said that the three existing transit points are sufficient. There are points at Phaekhananyon in Si Chiang Mai District and at Tha Kham in Muang District in Nong Khai Province and in Muang District in Mukdahan Province. Laos has never requested that additional transit points be opened. Laos may not want that. It may be afraid of goods flooding the markets. And there may be problems maintaining security. Besides this, Thailand has already given Laos a chance. That is, if Laos occasionally wants to bring in important goods from across the border, we will allow them to do that. For example, last year Laos asked to import rice mill equipment through the Mek Pass in Ubon Ratchathani Province. We opened this point temporarily.

"I don't think that our merchants understand this. Even if additional points are opened, it doesn't mean that it will be easy to trade with Laos. Laos will select people, too," said the news source.

A news source from the Ministry of Foreign Affairs talked with SIAM RAT about the proposal to open additional border transit points with Laos. He said that this matter will probably be handled based on the statement made by Air Chief Marshal Sitthi Sawetsila, the deputy prime minister and minister of foreign affairs. He said that the existing border transit points in Mukdahan and Nong Khai provinces are sufficient. There is no reason to open additional points. "People have been recommending this for a long time. But we do not feel that that would be beneficial. And it could be harmful to national security. For these reasons, we have not taken action on this. The Lao government has proposed this, too."

The news source said that the existing transit points are used mainly for trading purposes. The flow of Thai goods to Laos is much greater than the flow of Lao goods to Thailand. "The volume of trade between Thailand and Laos is rather small. The value of this trade does not exceed 100 million baht a year. For the most part, this trade is carried on using a bartering system. Goods of an equal or similar value are exchanged. Most of the goods imported by Laos are daily necessities such as rice and oil. In exchange, Laos sends us teak and processed wooden products."

As for the request by merchants that the trading ban be lifted on certain types of war materials, the news source said that it is the National Security Council and the military that stipulate which goods are war materials. We are now considering lifting the ban on several types of goods. "Some types of goods may not seem to be war materials. But they can be modified for use as war materials. We have to determine whether the goods that are sold to them can be used as war materials and whether they could pose a danger to our national security," said the news source in conclusion.

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CSO: 4207/164

THAILAND

BRIEFS

NEW NAKHON PHANOM DISTRICT--Mr Uthai Nakpicha, the governor of Nakhon Phanom Province, revealed that Nakhon Phanom Province has established a new branch district, that is, Phonsawan Branch District, which was formerly a part of Tha Uthen District. The Ministry of Interior has alloted funds in the 1986 fiscal budget for establishing this branch district. The establishment of this new branch district should be completed very soon, that is, in January 1986. Phonsawan Branch District will be one of nine districts in Nakhon Phanom Province. It is now within the administrative jurisdiction of Tha Uthen District. It will be composed of 5 subdistricts and 53 villages: Phonsawan Subdistrict with 13 villages; Na Hua Bo Subdistrict with 6 villages; Na Chamin Subdistrict with 11 villages; Phonbok Subdistrict with 14 villages; and Ban Kho Subdistrict with 9 villages. It will have a population of 39,195 people and 3,906 families. It will have an area of 569 square km and will be located 25 km away from Tha Uthen District. This will leave Tha Uthen with 8 subdistricts and 82 villages, a population of 55,117 people and an area of 531.614 square km. [Excerpt] [Bangkok DAO SIAM in Thai 6 Dec 85 pp 7, 10] 11943

ARMY EXPANSION PLANS--As part of the army expansion program in 1986, an important unit that will definitely be expanded is the Psyop Battalion, which is subordinate to the Special Warfare Center. This will be upgraded to a group and will be known as the Psyop Group. Also, support regiments will be formed along U.S. lines. At present, only one division, the 9th Infantry Division based in Kanchanaburi, has a support regiment. The target is for the 1st King's Guard Division, the 2d Division, the 3d Division, the 6th Division and the 4th Division to each have a support regiment. When the 1st Special Combat Division was formed, the plan was to have five special combat regiments and one support regiment. But because of bugetary restrictions, only one additional special combat regiment can be formed. The establishment of the support regiment will have to wait. Two additional cavalry regiments will be formed, one in the northeast and one in the north. One additional artillery regiment will be formed. [Text] [Bangkok LAK THAI in Thai 22 Jan 86 p 6] 11943

CSO: 4207/164

HA NAM NINH COMBATS RAMPANT MOONSHINING

Nam Dinh HA NAM NINH in Vietnamese 3 Dec 85 p 4

[Editorial: "Eliminating Moonshining and Illegal Liquor Sales"]

[Text] During the past few years, moonshining and illegal liquor sales in our province have had a tendency to increase. From a few areas in which this trade has long been inherent, people engaged in moonshining and the illegal sale of liquor may now be found in nearly every village and subward. Recently in Nam Dinh City alone, a single investigation uncovered up to 47 violations.

The spreading practice of moonshining not only squanders tens of thousands of tons of grain annually that should have been used for improving the living standards of the people but of even greater harm, contributes in no small amount in obstructing the task of constructing the new life and the new man within each family, hamlet and street. The practice of moonshining undoubtedly requires distribution. Thousands of restaurants and refreshment bars have sprung up to attract the adults as well as various classes of young people. In many places, the number of youths who like to drink and are addicted to alcohol is becoming increasingly greater, creating a legitimate concern to both the family and to society. There is no longer any doubt that the spreading practices of moonshining and illegal liquor sales are truly old and outmoded customs. They gobble up part of the income of many families and simultaneously have an adverse effect on health, labor proficiency and human behavior. Therefore, elimination of these social ills is an urgent demand for answering the aspirations of all the masses.

To eliminate from its very source and completely wipe out moonshining and the illegal sale of liquor, it is necessary to apply many methods in a synchronized manner under the concentrated and resolute leadership and supervision of party committee and administrative echelons with the active participation of all sectors and mass organizations. It is necessary to broadly disseminate the necessary knowledge to all classes of the people, first of all the youth, to assist everyone to clearly understand the harmful effects of a drinking habit on the development of physical strength and intelligence in order that everyone will conscientiously avoid unrestrained drinking. Through sessions of regular daily activity, organizations must introduce efforts of overcoming a drinking habit to the struggle registration theme of the union and association member, considering it as an expression of a civilized and wholesome way of life. Local administrations must advise those specializing in illegal liguor distilling to abolish their trade for the common benefit. Intentional violators must be promptly and severely punished. Close coordination with basic level administrations and agencies with a market management function is needed to increase the inspection and control of private operators dealing in food and beverage goods in order to halt the liquor trade; anyone in violation of regulations must be punished in accordance with the law. Not with empty appeals but with close, specific and continuous supervision and simultaneous persuasion and force, surely we will eliminate moonshining and illegal liquor sales from their very source in all areas throughout the province.

7300
CSO: 4209/321

DAO RIVER POLICE PROTECT STATE PROPERTY

Nam Dinh HA NAM NINH in Vietnamese 10 Dec 85 p 4

[Article by Sy Huong: "Protecting and Resisting Violations of State Property on the Dao River"]

[Text] The mission of the police station on the Dao River (in Nam Dinh City) is fairly difficult and complex. The station's operations extend along the river for a distance of more than 10 kilometers from Coc Tranh to Huu Bi through eight subwards and villages close to the river. More importantly, there are 14 piers and cargo landings with all kinds of goods where thousands of people work and pass through night and day, not counting the more than 20 agencies, warehouses, enterprises, river transportation cooperatives and small passenger boat landings along with five ferry lines.

Misappropriation of socialist property along the river at one time occurred continuously. The culprits employed all kinds of intricate stratagems and tricks that were difficult to discover along with individuals specialized in maintaining close contact with the coal yards and cargo boats on the river to engage in theft and pilferage for illegal trade. Two locations, Thuy Co and Huu Bi, were focal points of fairly serious social ills.

The struggle of the public security forces to gradually repel negative occurrences on the river has been carried out day after day and hour after hour, at times in a fairly drastic manner.

What means could be used to restore order on the piers and the river to reduce the misappropriation of socialist property? In reply to this question, Captain Nguyen Quang Can, the station chief, stated that it is the firm coordination of all units under sector and city supervision. The river public security station concentrated efforts to solve two problems: to establish a movement of basic level security and to raise work responsibility.

Without great strength in numbers, the cadres and men took turns in visiting the goods and supply facilities, transportation means and local areas along the river to investigate the situation and to formulate protection plans. At the same time, they established a firm grasp of each boat captain and the major positions of all transportation means.

The station promoted the signing of security contracts with all warehouse custodians and transportation chiefs, and the unification of exit and entry regulations and activities on the piers.

By professional methods, coordination during the past few years with the public security station forces on the river has resulted in the organization of many phases of activity to attack violators and expose many misappropriations of socialist property.

The cadres and men have remained awake all night along sections of the river and at focal points to ambush and apprehend red-handed dozens of transportation chiefs and freight handlers conspiring to pilfer oil, coal, sugar, milk, etc. for sale to dishonest merchants. There have also been cases in which transportation chiefs have skimmed off nitrate fertilizer during shipping and receiving or poured water into coal shipments in order to skim off dozens of tons to sell at a profit...but have been exposed by the public security personnel. Once, Lien, Nghia and Son investigated and tracked down 20 bales of mats that had been stolen during shipment on the river.

Many examples of dedicated work and uncorrupted spirit of the cadres and men here have been rewarded and praised by upper echelons. The work team of Tran Duc Lieu, upon discovering a boat captain misappropriating 12 bags of nitrate fertilizer for sale to dishonest merchants, steadfastly refused a bribe of 16,000 dong (in old currency) and prepared a report for submission to upper echelons.

By maintaining close contact with basic level units, piers, landings and the river to ascertain suspects, the river public security station has actively contributed toward the reform and education of those making an illegal living for a return to an honest way of life.

Discovering a mill grain boat in danger of foundering in the middle of Typhoon 6, the cadres and men of the station joined other forces to transfer over 200 tons of paddy to a safe place. Also during this storm, they saved a boat that had capsized in the middle of the river and rescued the entire family of Pham Van Tuy (of Viet Hong Transportation Cooperative).

The work of the cadres and men of the Nam Dinh River public security station has actively assisted in the reestablishment of order and security on the piers and the river. Annually, the unit recovers for the state a fairly large volume of goods and supplies and significantly, the misappropriation of socialist property on the river has been greatly reduced.

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CSO: 4209/321

MILITARY AFFAIRS AND PUBLIC SECURITY

VILLAGERS SURROUND, CAPTURE ROBBERS

Nam Dinh HA NAM NINH in Vietnamese 10 Dec 85 p 4

[Article by Tran Anh Dao: "Entire Gang of Dangerous Robbers Nabbed"]

[Text] Catching a glimpse of three strange youths coming down the path from the home of Mrs. Vu Thi Thinh (in Binh Minh Village), Nguyen Van Tien immediately and attentively observed. Mrs. Thinh was gone but the house was wide open. A sewing machine motor had been dismantled with the base discarded on the floor. "Clearly, they have just committed a robbery!" Thinking this, Tien hurriedly shouted for the people in the village to pursue and capture the three youths while simultaneously joining Vu Van Viet on a motorcycle to follow them. The motorcycle accelerated swiftly toward De Market, up the slope of Kham Dam and when it reached the head of Y-Lu Street, the two men spotted the gang of robbers pedaling away. Knowing they could not escape in the direction of Nam Dinh, the three bandits turned their bicycles around. One, wearing the uniform of an army officer with full rank and insiginia, simultaneously pedaled and shouted, "Excellent! On to the base! When we get to our quarters, we'll show them!"

The ruse having failed, they then threatened with daggers and explosives but the two men remained close behind, unwilling to let them go.

Meanwhile, the public security forces joined people from nearby villages; men armed with knives and sticks formed a circle. When the robber gang fled past De Market toward the area of Nam Hong Cemetery, the dragnet closed. At that moment, the closest pursuers were Nguyen Truong Nha (deputy chief of the Nam Hung Village public security forces) and Pham Van Mau (a member of the Nam Thanh Resin Cooperative self-defense force). Realizing the danger, one robber suddenly flung a grenade in the direction of Nha and Mau. Although wounded in the leg, Nguyen Truong Nha continued to plunge forward with Pham Van Mau, Doan Minh Chuc, Nguyen Van Tien and the other villagers to apprehend the three men: Ngo Ngoc Hung, Tran Duc Hung and Tran Van Thuan, along with the evidence: a hand grenade and two daggers along with a sewing machine motor, an iron and about 30 meters of cloth that they had just taken from the home of Mrs. Thinh.

With a motto of "surround tightly and capture," the public security forces joined people from the three villages of Binh Minh, Nam Hung and Nam Hong to nab this dangerous band of robbers.

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CSO: 4209/321

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

SOVIET LABOR EMULATION DRIVE--Hanoi VNA 3 March--Welcoming the 27th CPSU Congress, stevedores at Saigon Port in Ho Chi Minh City recently signed a labour emulation contract with sailors of Soviet merchant ships anchored at the port to fulfill the handling of more than 20,000 tons of Soviet cargoes from 2 to 3 days ahead of schedule. An emulation contract was also signed on the building site of the Tri An Hydroelectric Power Plant in Dong Nai Province between Vietnamese workers and cadres and Soviet experts working there. They pledged to push up the working tempo to prepare for the damming of the Dong Nai River in January 1987. [Text] [Hanoi VNA in English 0707 GMT 4 Mar 86 OW] /12232

SARHAWI NATIONAL CELEBRATION--Hanoi VNA 5 March--Ha Van Lau, special envoy of State Council President Truong Chinh, and head of a Vietnamese delegation, has attended a celebration recently held in Mahbes Province, Sarhawi, to mark the 10th National Day of the Sarhawi Arab Democratic Republic (27 February). While there Ha Van Lau and his party were received by Sarhawi Premier Mohamed Lamine Ould Ahmed, who is also Political Bureau member of the Polisario Front Central Committee. [Text] [Hanoi VNA in English 0715 GMT 5 Mar 86 OW] /12232

GHANA NATIONAL DAY GREETINGS--Hanoi VNA 5 March--State Council President Truong Ching today extended his warm greetings to John Jerry Rawlings, chairman of the provisional National Defence Council of the Republic of Ghana, on the 29th Independence Day of the republic. The message wished the friendship between the peoples of Vietnam and Ghana further consolidation and development. [Text] [Hanoi VNA in English 1519 GMT 5 Mar 86 OW] /12232

VIETNAMESE-HUNGARIAN FRIENDSHIP--Hanoi VNA 5 March--A meeting was held here this evening by the Vietnam Committee for Solidarity and Friendship with Other Peoples to review the activities of the institutions which are maintaining sisterly relations with their Hungarian counterparts. The participants decided to enhance the knowledge of Hungary among the Vietnamese and to promote the exchange of books and newspapers between the two countries. [Text] [Hanoi VNA in English 1535 GMT 5 Mar 86 OW] /12232

NEW AUSTRALIAN ENVOY RECEIVED--Hanoi VNA 6 March--The new ambassador extraordinary and plenipotentiary of Australia to Vietnam, Ian Stanley Lincolu, paid a courtesy visit to Chairman of the Council of Ministers Pham Van Dong here today. Chairman Pham Van Dong had a cordial talk with the Australian ambassador. [Text] [Hanoi VNA in English 1517 GMT 6 Mar 86 OW] /12232

VIETNAM-CUBA FRIENDSHIP ASSOCIATION--Hanoi VNA 6 March--The Vietnam-Cuba Friendship Association met here today to review its activities in the recent years and discuss a program of actions for the coming years. The meeting was chaired by Mrs Nguyen Thi Dinh, member of the Communist Party of Vietnam Central Committee and president of the association, and attended by representatives from establishments which have sworn sisterhood with their Cuban counterparts, the foreign minister, the International Department of the CVVCC, and other public offices. It noted with satisfaction that the friendship and cooperation between Vietnam and Cuba have been further consolidated and developed. It expressed sincere thanks to the Cuban people for their devoted support and assistance to Vietnam. Mrs Nguyen Thi Dinh called on all members of the association to broaden their activities to promote these ties in the interests of the two peoples. [Text] [Hanoi VAN in English 1513 GMT 6 Mar 86 OW] /12232

VIETNAM-SOVIET LINGUISTICS SEMINAR--Hanoi VNA 6 March--The second Vietnam-Soviet Linguistics Seminar took place in Hanoi from 4-6 March under the joint sponsorship of the Vietnam Institute of Linguistics and the Soviet Institute of Oriental Studies. It was attended by Prof Pham Huy Thong, vice chairman of the Vietnam Committee for Social Sciences, Prof Hoang Tue, director of the Vietnam Institute of Linguistics, Prof (?V.)M. Sonsev, corresponding member of the USSR Academy of Sciences and vice-director of the Soviet Institute of Oriental Studies; and many other professors, doctors, research workers and linguists of Vietnam and the Soviet Union. Almost 80 scientific papers on the Vietnamese language, and languages of ethnic groups in Vietnam were presented at the seminar. [Text] [Hanoi VNA in English 1519 GMT 6 Mar 86 OW] /12232

CSO: 4200/779

PARTY ACTIVITIES AND GOVERNMENT

VIEWS ON GUARDING NATIONAL SECURITY IN NEW STAGE

Hanoi GIAO DUC LY LUAN in Vietnamese Sep-Oct 85

[Article by Le Quang Thanh of the Ministry of Interior Public Security Science Institute: "Marking the 40th Anniversary of the August Revolution and National Day of 2-9--Some Methodological Considerations of the Question of Guarding National Security in the New Stage"]

[Sep 85 pp 19-25]

[Text] Throughout the historical evolution of our country, "national construction going hand in hand with national defense" has been the law of survival and development of our nation. This law had been observed by our ancestors not only in the field of national defense but also in the field of security and order.

In more than half a century of leading Vietnam's revolution, mostly since it seized power, and applying Marxism-Leninism to our country's revolutionary realities, our party has been inheriting the nation's tradition of national construction and defense, developing it to a new height, and turning it into our country's law of development in the new era: socialist construction going hand in hand with defense of the socialist fatherland.

The talented application of this law in the last 40 years was reflected in the party's security strategy by its resolving the very complex relations among the fields of national defense, security, economy, and ideology on the basis of scientifically analyzing the dialectical relationships between the common and the exceptional.

I. Combining National Defense With Security

The realities of our struggle in the last 40 years require that we consider and supplement new contents in such old categories as "national security" and "defense of the fatherland."

In the 40 years of struggle in our country's actual conditions and characteristics, in both war and peace, our party has more and more keenly recognized that the intelligence and espionage activities of the international imperialists and reactionaries would always serve their strategic plot aimed at invading and conquering our country. But because of the nation's invincible and unrelenting patriotic tradition and because of the revolutionary force being in an absolutely strong position under the leadership of the party, the reactionary cliques in the country would have to collude with the outside imperialist and reactionary cliques in order to be strong enough to fight and undermine the revolution. From the On Nhu Hau Street murder case in July 1946 to the collusion of Chinese spies with the Thai Army intelligence in December 1984--all have proved such a fact.

From there we can draw two conclusions:

One, in order to have enough strength to fight and undermine the revolution in an effective manner so as to hope to overthrow the regime, the domestic reactionaries must collude with the imperialist spies and international reactionaries, and vice versa. Therefore, if we can break their collusion in the field of security, they will not be able to destroy us, nor to cause great damages.

Two, security work plays an extremely important role in the task of defending the fatherland. The "national security" category must consist of both aspects, national defense and security, or as we often say, of fighting both the enemy from within and the aggressors from without.

In peacetime, for the task of defending the fatherland the work involving political security and social order and security must be at the top.

In wartime, the military work must be at the top; as to the security work, it must be aimed at both fighting spies and reactionaries to protect the rear and effectively supporting the army to fight the enemy.

It was Uncle Ho himself who revealed this matter as a law back in the early 1950's:

"It may be time of war, or time of peace. In the time of war, the army fights the aggressors; in the time of peace, it trains itself. As to the public security force, it must fight the enemy on a continuous basis: It has work to do in wartime and even more work to do in peacetime. As long as imperialism and the exploiting class remain, there still are those who destroy." (Footnote 1) (Ho Chi Minh: "Selected Works," Vol 1, Su That Publishing House, Hanoi, 1980, p 46)

Applying that thought of his, in the present revolutionary situation of our country, while we both have peace and must cope with the form of war of encroachment at the border and with the multifaceted war of destruction of the Chinese hegemony-advocating expansionists in collusion with the American imperialists and other reactionary forces, and at the same time must be ready to deal with a large-scale war if the enemy starts it, our party has clearly indicated the following: The security work, as well as the military work, must both fulfill the very important task of defending the fatherland.

As for Vietnam, the strategic direction taken by the Chinese hegemony-advocating expansionists in collusion with the American imperialists is to invade and conquer our country. They are striving to gather reactionary force from without to approach from many directions and to encroach on our territory, to infiltrate our ranks; to take advantage of the negative aspects of our economic and social life and of our shortcomings and slackening in our economic, social and ideological management to step up their intelligence and espionage activities; and to maintain secret connections with the counterrevolutionaries within our country to wait for the opportunities to carry out their "uprising from within, attack from without" scheme, to create disturbances and armed riots, and to achieve the overthrow of our regime from within our ranks. In this situation, the "defense of the fatherland" category includes not only consolidation of national defense, defense of the country, and resistance against military aggression from without but also maintaining of security, and even the "security" concept must also change to include all securities--political, economic, and social.

Therefore, in the present situation, national defense and security are linked together very closely and unified as one in the task of defending the fatherland. Under the historical conditions of the past 10 years, in which the new enemy has appeared, with his strategic and intelligence plots having basically changed, we will make a serious mistake if we separate national defense from security, security in the army from security in society, and political, economic, and social securities from one another.

The close link between national defense and security has been mentioned by the Fifth Party Congress and Fourth Plenum of the CPV Central Committee (fifth term) and gradually materialized further in a number of subsequent resolutions. However, to recommend the positive forms of linking them requires a complex scientific studying process, for they must respond not only to the immediate urgent needs but also to the long-term basic needs when the enemy has not yet changed his plot to conquer our country in order to expand into Southeast Asia. But no matter what positive forms we may have, to link and unify national defense and security for a long period from now on cannot go beyond such basic factors as guarding national defense secrets (ranging from strategic and tactical secrets to army strength, equipment, and so on), protecting army internal ranks, protecting the material and technical base of national defense, preventing and discovering any enemy infiltration in the ranks of our armed forces, imposing harsh punishment on such infiltration, keeping our armed forces clean right from their first activities like recruiting and training, and so on. We must closely link maintaining security in the army with maintaining security outside of the army, maintaining political security with fighting against misusing the socialist properties and against any negative activities in the army, military counterespionage with military intelligence work, and military intelligence work with other intelligence activities of political, diplomatic, economic, and other nature. To develop the strength of the entire system of proletarian dictatorship and of society as a whole by adopting series of economic, political, ideological, and organizational measures, such as using propaganda and education to make the youths enthusiastically fulfill their military obligation, properly implementing the army rear-area policy, improving the material and spiritual living standard in favor of the armed forces, and so on, is a very important factor in the effort to closely link national defense with security.

II. Closely Linking Economy With Security

The outstanding feature of the relationships between economy and security and between production and protection of production in the 4,000 years of existence and development on this land is the fact that our people must constantly fight hard against natural disasters and enemy-inflicted misfortunes. In the field of producing material and spiritual wealth, the relationships between national construction and national defense are clearly seen in developing production, protecting the results of production, and fighting enemy destruction and natural calamities.

In the struggle against the counterrevolutionary force to protect the results of the great October Revolution, Lenin advanced a famous argument: "A revolution is valuable only when it can defend itself." (Footnote 2) (V.I. Lenin: "Complete Works," Vol 37, Progress Publishing House, Moscow, 1977, p 145) This is an objective law of the socialist revolution because there still are imperialism in the world and reactionary forces within the country. The socialist revolution in our country cannot go beyond this law. If in the past, in the years and months of the war, the enemy had been seeking every means to destroy our building the rear area--a regular basic factor that determined success for the resistance--by having recourse to such maneuvers as spreading spies and informers; bombing and strafing dikes, factories, state farms, and ricefields; and destroying crops, today they have shown new points in terms of plots, maneuvers, and intensity. In the early 1970's, with a draft made by Kissinger, America and China agreed on a plan for destroying the revolution of the three Indochinese states and preventing Vietnam from becoming an economically strong country. While it was helping Vietnam to fight the imperialists, something it could not avoid doing since imperialism remained its enemy, China implemented the strategic plan for "both assisting and restraining" not only in the political, military, and diplomatic fields but also in the economic field. If the enemy's basic and top objective is to achieve political destruction--in a broader sense, to overthrow the regime by means of internal infiltration and destruction from within--then an extremely important objective for the enemy today is to destroy our economy, for the latter is the base and foundation of social life. The economic aspect leads to the political aspect, and to some extent the former is the latter. A strongly developed economy is a sure guarantee for national security. On the other hand, a strongly guaranteed security creates favorable conditions for the economy to develop nicely. In the present situation of our country, the enemy's shrewd design is to make our difficulties--in the economy and in life--more serious and bitter in order to weaken, through "gradual bleeding leading to exhaustion," and make our political system collapse. The realities of the struggle in the last decade prove that their economy-destroying activities have been quite meticulous and total, ranging from destroying both the productive force and the production relationships, destroying both the drafting of our line and policies and their implementation, destroying both the material and technical base and our plants and animals, and destroying from without by means of economic blockades and embargoes to undermining prices and money, monopolizing domestic markets, and sabotaging, both secretly and openly, such as causing explosions, setting off storehouse fires, and so on.

For that reason, we will show a lack of political vigilance if we think that all the economic losses, price fluctuations on the market, lack of order in circulation and distribution, and negative aspects in the economic and social life that have occurred lately were caused by our immature management, and that the enemy had nothing to do with them. But we will be wrong if we think that all of the recent economic losses and difficulties were caused by the enemy's destructive hands! We must be especially aware that the enemy often use us to undermine our work. Therefore, in the effort to closely link economic construction with economic protection, we must consider guarding economic security one of the jobs of leading importance which falls within the main responsibility of the heads of organs, sectors, and economic installations. To closely link economy with security, and vice versa, and production with production protection must be understood and applied on a nationwide basis, as well as in individual localities, production installations, and units, and for every aspect of our work. To guard economic security is of very wide scope, for it includes such links as production, circulation, and distribution, and covers all economic sectors, particularly the key ones (grain, materials, domestic trade, foreign trade, communications and transportation, and so on), the ones that manage the strategic goods, and the locations where large quantities of materials and properties are concentrated. All economic plans ranging from implementing a policy and a position to building an enterprise, or opening a store, must include positive measures to provide their own protection. Recently, as the result of the tendency to separate production from production protection and economy from security, we suffered from losses that should not have happened. The struggle between the enemy and us and the struggle between the two roads are getting linked closely, hooked, and blended together. The enemy are trying to use other criminals and negative phenomena to strengthen sabotage against us. For this reason, the struggle against the counterrevolutionary force and for guarding economic security must be closely linked with the struggle against other criminals, mostly the violators of socialist properties, and against the negative aspects. This is a new matter that must be thought about in order to closely combine the economic, security, and sociocultural strategies. In the field of actual organization, this requires on the one hand that we strongly develop the collective ownership right of cadres and workers in different economic sectors; heighten the awareness of protecting socialist properties; and resolutely struggle against enemy sabotage and those who deliberately act against the state policies and misuse socialist properties, no matter in what form this violation is hidden. The mass movement for guarding security in organs and enterprises and the mass movement for guarding security in society must be closely linked together and support each other. On the other hand, we must strive to perfect the protection and self-defense organizations in organs, enterprises, and storehouses; actively struggle against, investigate, and conclude the cases of economic sabotage and suspected sabotage, with timely and fair treatment of criminals; avoid putting unreliable people in important positions having to do with national economic secrets and precious and rare materials; and firmly take away from such positions those people who have shown signs of decadence and deviation. In addition to struggling to defeat the enemy's economic-encirclement policy, we must urgently reorganize the management of export-import and foreign trade activities so as not to let the enemy take advantage of the situation to carry out infiltration and sabotage. In the socialism-building process, the fact that economic cooperation and exchange among countries are increasing everyday and that our country's foreign economic relations are expanding further is an objective necessity and a law of development in the socialist economy. The question is to be able to fulfill the security requirements on the basis of closely coordinating activities, jointly achieving a unified mechanism, and avoiding any regrettable shortcomings, which both reveal national secrets and "reduce brain power, while failing to bring about any economic results. But on the other hand, we must also guard against the tendency to make guarding security a mechanical and rigid action that limits the results of economic development.

It is really obvious that to closely link economy with security, and vice versa, is a very important methodological basis for unifying the economic and security strategies, our party's lesson of experience in the last few decades, and an aspect of the close link between two strategic tasks in the new stage.

III. Linking Political Security, Social Order

In this article, the "political security" category is used with a meaning that covers all three aspects--political, economic, and social securities--to permit an analysis of the dialectical relationships between "security" and "social order and security" (we used to call this the aspect of maintaining security, and some countries call it socialist legal order).

Political security and social order and security (also including protection of socialist properties) are two aspects of state management that are closely related, act on each other, and change each other, with political security being the most basic and decisive aspect. Political security is of topmost importance for the proletarian dictatorship because it is closely linked with the existence--both immediate and long-term--of the party, of the state, the system, and the nation. Political security being strongly guaranteed will affect in a basic manner the stability of social order and security. Conversely speaking, if a society is unable to maintain order and security, if criminals take advantage of this to act freely, if the law is disregarded and the socialist properties and the citizens' properties and lives are violated, this state of affairs will create favorable conditions for the enemy to take advantage of things and to destroy political security.

Starting the socialist construction in any country, because of the bad remnants of the old society, always means encountering gangs of criminals, particularly the ones that abuse the socialist properties, striving to take advantage of any shortcomings and failures in socioeconomic management to work to their advantage, mostly in the beginning of the transitional period or in the postwar period. In our country, sometimes and in some localities, the poorly maintained social order and security did adversely affect political security. Today the enemy have been waging a multifaceted war of destruction; as a result, although political security still is of topmost importance, we absolutely cannot neglect or underestimate the question of social order and security. Our ancestors usually said that we must live in peace in order to be content with our occupation. Living in peace means living in stability under the conditions of both political security and social order and security being guaranteed. These two things strongly blend together and act on each other.

In reality, because many cadres and party members had failed to recognize the relationships having the character of a law between these two aspects, they sometimes leaned more toward security and underestimated social order, or vice versa, and underestimated security when the state of social order got worse. These tendencies were all wrong.

The realities of the struggle in our country in the past 40 years, mostly in the last 10 years, show that the counterrevolutionaries usually take advantage of the temporary difficulties and of shortcomings and failures in our policies and laws, as well as in the execution of these policies and laws, to encourage the bad elements to disturb social order and security and to misuse the socialist properties and crooks and thieves to take advantage of all negative phenomena and to create more negative aspects so as to undermine our political security. On the other hand, if social order and security is seriously violated, or if we fail to cleverly resolve the question of social order and security, we will also face adverse political effects and even find that the question of social order and security may become a political one. For instance, we may have to resolve such cases as mental disorders caused by the war, wounded soldiers destroying their barracks and lending assistance to smugglers, troops deserting from the army, youths and teenagers being delinquent or committing crimes, and so on. There are problems both involving order and being social, economic, and political at the same time. The change between security and order--in other words, the interchange among the political, economic, ideological, and social aspects--that showed characteristic signs in the last 10 years was a process of changing from one thing to another, from the positive, negative, decadent, deviated, and criminal aspects (particularly from economic crimes to political crimes), and took place at a relatively faster pace and a more serious level than what had taken place 20 years earlier, with the principal and common reasons being our shortcomings in education and management.

Therefore, in evaluating the situation and resolving actual problems having to do with political security or social order and security, we must always maintain a clear mind and think seriously about the relationships between the two aspects so as to set forth appropriate policies and measures, to take care of both common and specific matters, to properly resolve one aspect while properly supporting the other, and to avoid letting the enemy take advantage of our shortcomings in one aspect to undermine our efforts in the other.

We must remain vigilant so as not to let the counterrevolutionaries take advantage of other criminals and the negative aspects to disturb social order, and at the same time be very strict and act in time to prevent social order problems from becoming political security problems--this is a methodological matter that is equally important in our party's security-strategy leadership.

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[Text] IV. Actively Guarding, Keeping Our Own Ranks

In order to carry out their aggressive plot in our country, the feudal and reactionary forces from the north and the Western imperialists all had been seeking every means to carry out espionage activities. Their activities, as a rule, had included four aspects: establishing bases, gathering intelligence information, carrying out sabotage activities, and causing rebellion and overthrow. In our nation's long history of national construction and national defense, there were many lessons about remaining vigilant and guarding against spies, especially internal spies, with the story of My Chau-Trong Thuy being a typical example:

"Because the sacred bow was put into enemy hands due to negligence,
All of the work that had been achieved was suddenly gone." (To Huu)

Having learned from that painful lesson, the dynasties of Le (early Le), Ly, Tran, and Le (late Le), even during the peak of their power, strictly guarded national secrets and protected their internal power structure and army quite tightly--that was an important reason contributing in a decisive manner to strongly defending the nation's sovereignty and independence and resulting in extremely glorious feats of arms against foreign aggression in our history. The "Basic Military Manual" clearly pointed out: "The affairs of one person are not to be revealed to a second person; the work of tomorrow is not revealed today; interrogating and investigating must be thorough, without missing a single tiny fact; secrets must be guarded absolutely, even without any divulgence through facial expression, which may lead to divulgence in the mind, which may lead to divulgence in dreams; some work requires hiding all clues; others requires total silence." (Footnote 3) ("Binh Thu Yeu Luoc" (BasicMilitary Manual), pp 38, 81, 83) They had recourse not only to education but also to compulsion, discipline, and clear regulations in order to maintain strict internal and military order and to prohibit unprincipled relations with the enemy and bad elements: "To say many wordsresulting in anger and to be stubborn and hard to control when receiving orders from one's commander is called insubordination, with soldiers committing it having to be beheaded; to listen to discussions of tactical moves and orders and then to reveal them to the enemy is called treason, with soldiers committing it having to be beheaded; to falsely accuse other people, to lie, to discuss ghost and evil stories, to pretend having dreams, and to cheat both superiors and fellow soldiers is called evil behavior, with soldiers having it having to be beheaded." (Footnote 3) (Ibid.) As early as in the Le Dynasty, Nguyen Trai already gave orders not to let foreigners freely live and travel in our country: "Foreigners are not allowed to freely enter the inner city; all of them must stay in Van Don, Van Ninh, Can Hai, Tam Ky, and Truc Hoa." (Footnote 4) (Nguyen Trai: "Complete Works," pp 59, 113) By the time of capitalism and particularly of imperialism, espionage activities were being strengthened everyday and have become national policy. (In only 11 months, Napoleon spent 5,331,000 francs (of the value of that time) for espionage activities. In the Franco-Prussian war in 1870, Prussia alone used as many as 30,000 spies; in World War I (1914-1918), England and France had 20,000 spies, and Germany and Austria, 20,000 spies. In World War II the number of spies of all participating countries was eight times as large as that in World War I. Nowadays, espionage activities are different, for they have escaped the classic and restricted pattern of the kind of "professional" espionage in World War I. Intelligence activities, or in other words, the espionage war has become a great political force covering international relations, relations among nations and blocs. "Today, the common character of the espionage organs is the fact that they all operate against an entire people, an entire nation, no matter what this people and nation may be--allied or neutral." (Footnote 5) ("The Communists" magazine (in Russian), issue of April 1980) The fact that the American intelligence budget in 1980 alone amounted to13 billion dollars points to the greatly increased scope of intelligence and espionage activities today.)

President Ho taught us that the imperialist clique was advocating war and hoping to use war to conquer our country and to be masters of the world, and that in a war, intelligence (special and secret police) was the most important component and served as a command's ears and eyes.

Of all kinds of spies (Sun Tze divided them into five kinds: rural spies, internal spies, counterintelligence spies, sons acting as spies, and students acting as spies) internal spies are the most dangerous kind. For "internal spies are the enemy's mandarins whom we use." These are spies who remain inside our own ranks and are in a position to gather information about our political, economic, military, and diplomatic positions and policies, as well as to steal scientific and technical inventions.

Stalin analyzed the dangerous effects of internal spies: In order to win a battle in wartime, there should be many columns of the Red Army. But in order to prevent such a victory on the front, only a few spies from a corps-level staff, even from a division-level staff office, would be enough to do the job by stealing operational plans and giving them to the enemy. To build a large railroad bridge must require thousands of people, but it will take only a few men to destroy this bridge. One can cite dozens and hundreds of such examples.

For the entire duration of its existence, our party has been attaching importance to holding its internal structure strong and steadily consolidating its internal ranks, administration organs, and mass organizations. In the underground period, utmost attention was paid to protecting the party and strictly guarding against and punishing the AB and Trotskyite cliques who had crept into the party. In the materials used to train cadres and party members Uncle Ho taught how to keep secrets and to protect the party's internal structure. In the 30 years of war against the French and American imperialists our party also issued many directives about guarding against and fighting internal spies. Furthermore, our party has been widening and developing the task of guarding against and fighting spies, maintaining secrets, and protecting organs and has turned it into the most widespread mass movement in history in various rich forms: from the 3 Don'ts (don't know, don't hear, don't see) movement to the 3 Protections (protection against the enemy, protection against spies, protection against accident) movement and today's movement to maintain security for the fatherland. In the South, during the entire resistance against the American imperialists, although the enemy plot to plant internal spies was extremely shrewd and fierce, the party's leading organs and key leaders were kept absolutely safe and strategic and operational secrets were fully guarded, which was an important contribution to the liberation of the South and reunification of the country.

Let us cite a few examples to show our party's talented application of the law of socialist construction along with defense of the fatherland being reflected in combining internal protection with fighting the enemy from without. That was the years of 1965-1968 when the American imperialists extended their air and naval war of destruction to the North. While many waves of enemy aircraft came from many directions and many altitudes to fiercely bomb and strafe, they at the same time dropped airborne commando spies in many locations. In the beginning it was very difficult for us to deal with that. But General Secretary Le Duan gave a timely instruction: To guard our on-land and internal structure would be our main concern. That instruction was able to reverse the situation, to turn a passive situation into an active one and a defensive posture into an offensive one, and brought about brilliant results, which later even the Pentagon documents had to recognize: Almost all the commando spies the Americans had sent to the North in this period were caught.

This fact proves that however shrewd and ruthless the enemy may be, if we know how to guard our internal structure and to properly protect our internal ranks, the enemy will certainly be defeated.

At present, the Chinese expansionists in collusion with the American imperialists are striking both in front and in back of us. They carry out on our northern border a form of war of encroachment to seize our territory and at the same time inside our country a multifaceted war of destruction. They have the same plot--to infiltrate our internal ranks in order to gather secrets and information so as to devise plans for causing rebellion and overthrow from within. They use goods, money, women, and even speculators and smugglers to turn our cadres into decadent and degraded ones, whom they can bring into the ranks of counterrevolutionaries through bribes to go against our party, fatherland, and people.

The enemy's plot and mode of operation having the character of a law thus raise for us a question, which is both urgent and basic: We must strengthen the task of guarding our internal ranks, first of all protecting our party.

The fundamental thing to do at this moment is to build, supplement, and carry out positive mechanisms in order to protect the party, administration, armed forces, and mass organizations and to make them really clean and strong; first of all to resolutely proceed with purifying our internal ranks; to actively guard against and fight internal spies; and to strictly guard all national secrets having to do with from national defense and security to economic, ideological, and social fields, and from resolutions to actual positions and policies, both domestic and foreign.

In addition to guarding our internal ranks and actively creating a strong defensive posture, we must actively be on the offensive, continuously attack the counterrevolutionaries and other criminals, make them constantly be on the defensive in dealing with us and fail to carry out any activities, and weaken and divide their ranks until their final and total destruction.

We must attack them both politically and ideologically and in terms of organization; attack them at all times, in both peacetime and wartime; attack them everywhere, in all fields, in all terrains--not only in our territory but also where they come from and in their own bases; and attack them with many forces, in many forms, and by different methods.

Only by actively and continuously attacking the enemy can we create favorable conditions for expanding and consolidating our position and strength in every aspect and maintain the right to take initiative, as well as our active posture, in the field of political security and social order and security.

We must take initiative as we carry on the task of controlling the situation, do the fighting, build our force, implement our positions and policies, and deal with each legal case. Because of the enemy's cunning and ruthless character and the need for building and protecting socialism, in this field of struggle, we must be one step ahead of the enemy, even several steps ahead of their plots and activities. It will be extremely dangerous for us if we must be passive in dealing with them. On the other hand, only by strongly guaranteeing the right to take initiative in the matter of security and order can we create favorable conditions for continuously attacking the enemy. The application of these two aspects to leading the struggle must be very flexible. The realities of our struggle in the past years prove that we must sometimes and in some localities attack the enemy very bitterly and suppress them very strongly if we want to heighten the masses' ownership posture, to build the masses' revolutionary movement, and to regain the right to take initiative for ourselves; but at other times and in other localities we must begin with mobilizing the masses and building up their movement in every aspect if we want to have a base for attacking the enemy in the most effective way.

In short, to guard our internal ranks, to build our party really clean and strong, to protect very strictly its internal structure, mostly to protect the party itself, to actively create a strong defensive posture, and to actively and continuously attack the counterrevolutionaries and other criminals is a valuable lesson of experience and an extremely important methodological matter in our party's security strategy for the last few decades, at present, and in the future, and still has an extremely important and decisive significance in our effort to carry out the two strategic tasks of building socialism and defending the socialist fatherland.

V. Dividing, Isolating the Enemy

In order to attack the enemy in the most effective manner and with the least loss of lives, in the last few decades our party has flexibly and cleverly applied many different tactics aimed at fully taking advantage of the enemy's internal contradictions and deeply dividing and isolating them. A characteristic aspect of our country's work in the past nearly half a century has been the fact that we always encountered spies from our powerful imperialist enemy and that in many cases we had to deal simultaneously with many groups of spies, reactionaries, and lackeys of all kinds of the imperialist and other international reactionary forces. This situation required that we "take advantage in an extremely meticulous, attentive, careful, and clever manner any smallest 'rifts' among our enemies in order to defeat them and to protect the achievements of our revolution.

We understand very well that although our enemies collude with one another and take advantage of one another in pursuing their common strategic plot, they still have many contradictions among themselves and each and every one of them has a different design of his own. As to the counterrevolutionaries acting as their lackeys, although they all fight and undermine our revolution, their role, character, and motives, and the degree of their crimes and repentance are different. As a result, there always exist contradictions in the ranks of spies, counterrevolutionaries, and other criminals. Therefore, our party has adopted clever policies and tactics aimed at deeply dividing the counterrevolutionaries and other criminals. As to the counterrevolutionaries, we absolutely isolate and severely punish the instigators, ruthless leaders, and stubborn elements among them who resist the revolution and show leniency toward those who have been coerced, cheated, and misled, and those who show honest repentance. As to other criminals, we must severely punish professional hoodlums, tough hooligans, and those who have seriously disturbed social order, and educate and convert those who have made mistake and committed a crime just once.

The combined action between principles and tactics is expressed especially clearly in our policy of suppressing the counterrevolutionaries and other criminals: Severe punishment is combined with leniency; suppression with reeducation. In a country that for 40 years has had to successively fight the aggressive armies of three powers and, in the wake of its victory, to deal with extremely complex political, economic, and social problems, such as hundreds of thousands of members of the puppet army and puppet administration left behind by the French imperialists, millions of members of the American imperialists' collapsed puppet army and administration, excluding tens of thousands of the key officials of reactionary parties, religions, and ethnic groups, and hundreds of thousands of hoodlums, hooligans, prostitutes, swindlers, drug addicts, and so on, all being monstrous beings of the old and new colonial regimes, let us ask ourselves if there are no correct line and policy, tough in terms of principles and soft in terms of tactics, as the ones we have just mentioned above, what will become of the situation. The extremely great effects of our line and policy in the recent period prove even more clearly the talented creativity in our party's security strategy and require that we recognize more keenly the dialectical unity among various aspects of our policy, which must be applied in a creative manner to different situations, localities, and times, and even to different individuals. We will make the mistake of being leftist or rightist if we stress one aspect and underestimate another, and vice versa.

To suppress and punish the counterrevolutionaries and other criminals naturally is very necessary, but what is more important and, of course, extremely more difficult is to reeducate them to make them honest and capable of using their hands and brain to contribute to building the new socioeconomic form as Lenin mentioned. Those are the abilities of the communists which in the present situation must be clearly shown. Since the liberation of the South we have carried on reeducation in many rich, creative, and unique forms for hundreds of thousands of members of the old puppet army and administration. So far a large number of them has left the on-the-spot reeducation status, and quite a few others have been released from reeduation camps and have returned home. We will be subjective if we say that the reeducation has been achieved without continuing to supervise and watch them to a certain extent, but what is more important is the need to keep educating them and to create favorable conditions for them to become normal working people in our society.

VI. Developing Combined Strength

To develop a combined strength is a science and an art-natural capacity of our party, which has driven our country's revolution from one victory to another. On the security and order front, where does this strength lie? What is this strength? How can we most effectively mobilize and develop this combined strength? Our party has long had an answer to this problem--the socialist collective ownership system is achieved with the mechanism of leadership by the party, management by the state, and ownership of the people. This system and this mechanism--our party's theoretical and practical creation of extremely important significance which we have so far failed to fully understand--are the reason, driving force, and substance of this strength, even in the field of security and order. In broader terms, our country and society as a whole must at present achieve this mechanism if they are to exist and develop. This system and this mechanism have indeed existed for 40 years and are moving and developing from a low to a high level, from a less perfected to a more perfected state. Whether this mechanism is strong or weak and whether the application and realization of this mechanism has been good or not determines the direction and speed of development of our society today.

The effective working of this mechanism is first of all expressed by leadership of the party. It was not a coincidence that in the middle of the 1950's President Ho Chi Minh already affirmed that the party assuming leadership over security work would be an unchangeable principle: Only if the party's political leadership were correct would its technical leadership be correct. The people's public security force, as well as the army, must submit to party leadership from top to bottom. Security and order has two-way relationships with all party and state policies on all political, economic, social, and diplomatic matters and at the same time direct relationships with the normal life of every member of society. Being a component of the class and national struggle carried out on a very broad plane, both national and international, and on the other hand a silent front, the dividing line of which is very hard to define--the interconnection among us, friends, and foes being extremely complex, the struggle to guard security has long revealed its multifaceted, complex, and decisive character. The direct, absolute, and total leadership of the party over the struggle to guard national security, as well as over the key force in this struggle--the people's public security force--therefore is an objective necessity and an unchangeable principle. Such tendencies as "purely professional" and "specialized aspects separated from political aspects" are totally strange to us. This principle requires that the party committee echelons be directly responsible for maintaining a centralized and unified leadership over matters ranging from organization to plans and measures and ensuring good results in all locations and under all circumstances for the struggle to guard security and order. We must correctly carry out the division of work and decentralization devised by the Political Bureau and Central Committee Secretariat and fully obey the state laws.

To improve efficiency in all aspects of management by the state for the benefit of society as a whole and to organize in a methodical and orderly manner all social activities is a very important base that guarantees success in the struggle to guard security and order. In the present situation, our state must fully use both political and economic powers to maintain the social rule, to effectively struggle against criminal acts and social ills, and to overcome the abnormal situation in which many laws and regulations are not seriously carried out and even disregarded. The state organs must have a firm attitude and take drastic measures to sternly suppress the counterrevolutionary elements; to punish the exploiters who refuse to be reeducated and the hoodlums, hooligans, speculators, and smugglers who violate socialist properties; and to justly handle the cases of cadres and civil servants who take advantage of their positions to act against the law. Strengthening the socialist law, our state has to continue to gradually build the economic legal system and to adopt decrees dealing with economic, political, cultural, and social securities to suit the new situation. At present, we must further develop the role and usefulness of the people's councils and committees at all levels in mobilizing, persuading, and educating the people and supervising the implementation of the rules and regulations on management of security and order.

The working people's collective ownership right in the field of security and order is an organic part and direct manifestation of political mastery, but at the same time it is also a part of economic, cultural, and social ownership. In our country's present historical period, the following requirements and criteria must be achieved in connection with the basic substance of the security and order ownership: To have self-consciousness and to seriously implement the party line, positions, and policies and the state laws; to organize by oneself and promote civilized, orderly, happy, and wholesome living by continuously creating various forms and measures to prevent criminal action of all kinds, to eliminate social ills, to discover, denounce, firmly fight against, and suppress in time all counterrevolutionary and other criminal activities, to actively reeducate and reform criminals, and to mobilize social opinion for condemning and fighting against the negative aspects of political, ideological, cultural, and socioeconomic life; and to control and supervise cadres, workers, and civil servants of state organs in regard to respecting and protecting the people's ownership right. To build the ownership right in terms of security and order is a process, and in this process there must be a revolutionary mass movement to guard political security and social order and security, which we currently call the movement for guarding the security of the fatherland for short. In the present situation, we must have a very broad, strong, exciting, and powerful mass movement in order to stop and then wipe out the negative phenomena in the socioeconomic life, to reduce crimes, and to build the strongest fortress wall to protect all the achievements of our revolution. A mass movement that can reach such capabilities and scope requires that we resolve series of relationships, cleverly combine many measures, and smoothly coordinate activities of all party organizations, administrations, and revolutionary mass organizations. A great task that lies ahead of us is to seek and carry out measures and positive forms of action that really promote the collective ownership right on this front. In this sense, a very urgent and important matter in the mass movement for guarding the security of the fatherland today is to suggest timely slogans, to respond to the daily vital needs of the masses in all localities and in given periods, and to tightly organize the masses, with strong hard-core ranks being set up for them.

To closely link security with national defense and with economy, and political security with social order and security; to actively guard and maintain our internal structure and to closely link it with actively and continuously attacking the counterrevolutionaries and other criminals; to take advantage of enemy internal contradictions; to develop our combined strength--these are some important methodological matters in the party's security strategy and at the same time the matters having the character of laws, which have been discovered and cleverly applied by our party for nearly half a century and have led to wonderful and great achievements on the front of guarding national security and social order and security. Attentively following enemy moves and activities in an extremely meticulous and careful manner and continuing to apply the Marxist-Leninist methodology to the characteristics of our country's revolution in the new stage, we will surely totally defeat the enemy in their multifaceted war of destruction and contribute to successfully building socialism and steadily defending our beloved Vietnamese fatherland.

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CSO: 4209/288

BOOK REVIEW: 'ADHERING TO LAWS IN MAKING CHANGES AND IMPROVEMENTS TO ECONOMIC MANAGEMENT'

Hanoi GIAO DUC LY LUAN January - February, March - April, July, August 1985

[Abridged version of speech by Dao Duy Tung at the Special Class in Party History at the Nguyen Ai Quoc Advanced School]

[January-February 1985, pp 11-23]

[Text] At the 6th Plenum of the Central Committee, Le Duan delivered an important speech on those matters that are in the nature of laws of the socialist revolution in our country, and the matters that have been presented in a very concise and meaningful way in the line on the socialist revolution and the economic line, primarily with the aim of guiding efforts to change and improve our economic management. The impact of this speech, however, is not limited to changing and improving economic management. Its value is much greater. Together with refining its revolutionary line and revolutionary methods for seizing and maintaining political power, our party has spent several decades gradually formulating its line on the socialist revolution. This line has been defined and gradually perfected at the 3rd, 4th and 5th Party Congresses. In recent years, our party has continued to conduct research for the purpose of refining the matters that pertain to the theory of the socialist revolution in our country. The work "Adhering to Laws in Making Changes and Improvements to Economic Management" is an important product of these activities in the field of scientific thinking. It is a work of very important theoretical and practical significance. We must carefully study and gain a deeper understanding of the contents of this work.

Having studied this work, allow me to present some observations.

I will present them in three parts:

I. The book "Adhering to Laws in Making Changes and Improvements to Economic Management" represents the continued refinement of matters of theory concerning the socialist revolution in our country.

II. The factors that must be understood when studying this work.

III. The significance of this work in guiding efforts to improve economic management.

We will now delve into each of these parts in order.

Part I

The work "Adhering to Laws in Making Changes and Improvements to Economic Management" represents the continued refinement of matters of theory concerning the socialist revolution in our country.

1. Researching and defining the path to be followed by the revolution of its country in each stage is the most important task of every party. To perform this task, every party must adhere to Marxism-Leninism and use it as the compass by which it sets its direction. When formulating the line on the socialist revolution, we must not only have a firm grasp of the revolutionary and scientific essence of Marxism-Leninism, but must also delve deeply into the doctrine of scientific communism as the doctrine on building socialism, building communism.

The scientific communism mapped out by Marx and Engels encompasses many matters. Below are a number of its important arguments:

As a theory, socialism existed long before the birth of Marx. This socialism was, however, utopian socialism. The service performed by Marx was that he, on the basis of two great discoveries, historical materialism and the theory of surplus value, brought socialism from the realm of the utopian to the realm of the scientific. Through scientific analysis, Marx and Engels confirmed the inevitable destruction of capitalism and the birth of socialism. Also on the basis of these two discoveries, they advanced an argument, which Lenin called the main point in the doctrine of Marx, that "clarifies the role played by the proletariat in world history as the builder of socialism."

How did the founders of scientific communism envision socialism, envision communism? They maintained that the foundation of the new system is public ownership. Therefore, abolishing private ownership is the distinguishing feature of communism and, "in this sense, communists can summarize their theory in the single formula: abolishing private ownership." In his work "The Fundamentals of Communism," Engels, on the basis of this distinguishing feature, presented some of the special characteristics of communism: the utilization of production forces as well as trade, exchange and distribution are determined by society; the management of society in accordance with a plan; heavy industry developed on an unprecedented scale and a modern agriculture; the production of sufficient products to distribute products in accordance with need; the molding of a new, fully developed man by the new society; abolition of the classes; and elimination of the opposition between the cities and the countryside.

Marx and Engels conceived of socialist construction as a long process involving two stages: the low stage--socialism; the high stage--communism. In the stage of socialism, the slogan of distribution is: from each according to ability, to each according to the quantity and quality of labor performed.

In the stage of communism, it is: from each according to ability, to each according to need. This period of transition is essential. And, during this period, the state can be none other than the proletarian dictatorship.

Marx and Engels displayed great genius by defining, in their times and by means of scientific methods, the basic features of a future society and the path to this society. Subsequent generations could not have demanded more of them.

Lenin developed every aspect of Marxism. His creativity reached a pinnacle in his theories on the socialist revolution and socialist construction.

To begin with, we all know that the birth of socialism, as proven by history, did not come about as predicted by the founders of scientific communism. On the basis of the conditions they foresaw, Marx and Engels maintained that socialism would come into being in a host of countries at the same time. However, the October Revolution broke out within a single country with the emergence of Soviet Russia. The person who charted the course to this revolution was Lenin.

Lenin incorporated in his conception of socialism a very good definition, a very good formula: communism = the soviet administration + the electrification of Russia. From this definition, we immediately see what the backbone of socialism is and, as a result, what the cardinal guideline should be in socialist construction.

Lenin developed the argument of Marx on the period of transition into a profound theory. This theory clearly defined the political and economic factors of the period of transition; the basic tasks during the period of transition; the struggle to determine "who triumphs over whom" in the period of transition; and economic policies, especially the new economic policy.

Taking a creative approach, he pointed out that the path to socialism in underdeveloped countries is the path of agricultural cooperativization, the path of socialist industrialization, the path of carrying out the cultural revolution. Lenin not only set forth guidelines, but also answered many specific questions.

He also advanced very basic views on the management of society and economic management. The principle of the interconnection between politics and the economy, the principle of planning the national economy, the principle of democratic centralism, the principle of economic accounting and so forth upon which the various parties are leading the management of the economy were advanced by Lenin.

Of special importance is the fact that Lenin did much to develop the theory on the proletarian dictatorship. The issues concerning the party being in power, the proletarian state, the mass organizations and so forth under the circumstances of the proletariat having seized political power were addressed by Lenin in rather deep detail.

In only 7 years, 3 of which were lost to the civil war, Lenin produced a very large body of arguments on socialist construction. One-half of the 56 volumes of the collected works of Lenin was written during these 7 years. The point to be made here, however, is not only the magnitude, but also the scientific content of these works.

Our purpose in reiterating, by way of a summary, the principal arguments advanced by the classical authors of scientific communism is to give ourselves a basis for examining how our party has creatively applied these arguments and, at the same time, helped to further enrich scientific communism in the process of searching for and finding solutions to problems facing the socialist revolution in our country.

2. Marxism-Leninist doctrine, in general, as well as theory on scientific socialism are the thinking that guide all parties in charting the course of the revolution. However, it must always be remembered that the founders of socialism only provided us with universal principles. In other words, they only provided us with a compass, not with specific solutions for each specific case. Andropov once said: "Today, anyone who asks himself the question 'what is socialism' and seeks an answer first in the works of Marx, Engels and Lenin is taking the wrong approach. We should not limit ourselves solely to these works." Such thinking is dialectical. Over the past 67 years, 40 years in some countries, the Soviet Union and a host of other countries have, by following the path of Marxism-Leninism, successfully built socialism. Real socialism as a relatively complete socio-economic form has come into being. This has happened quickly. Capitalism was born in the 15th and 16th centuries within feudal society. But it was not until the first technological revolution in Great Britain some 300 to 400 years later that capitalism was formed. And, capitalism as a complete socio-economic form is only now emerging. Even if we date the start of capitalism as the British bourgeois revolution in the mid-17th century, some 200 years have still elapsed. Socialism, in the space of only several decades, has formed and developed to a stage in which it is able to move ahead on its own base. A look at the reality of socialism today reveals not only a common framework, but also a body filled with vitality, one that encompasses rather solid production relations, highly developed material-technical bases, a corresponding superstructure and totally different class relations, relations among nationalities and interpersonal relations. These great achievements have provided us with a wealth of lessons and experience in socialist construction. However, this experience has not only concretized, but also enhanced, to a rather significant degree, the doctrine of Marxism-Leninism, in general, and scientific communism, in particular.

Of course, the path is not always smooth. More than a few difficulties and even temporary setbacks are encountered. Some nations, such as Yugoslavia, have embarked on the socialist path but subsequently taken a different direction as a result of being led by revisionists. China embarked on the socialist path in 1949 and managed to record certain achievements. However, as a result of being led by big country chauvinists, by expansionists and hegemonists whose policies have betrayed Marxism-Leninism, very serious tragedies have befallen the people of China and the world revolution. And other situations have occurred: in some countries that have recorded major achievements in the advance to socialism, one serious mistake in leadership has put the country at grave risk--the risk of political power being seized by counter-revolutionaries. But even these difficulties and temporary setbacks provide us with lessons and experience.

In the process of moving forward, the fraternal parties have learned many lessons and gained much experience, from both their successes and setbacks, in how to build and defend socialism. Here, allow me to present a few important summaries.

In 1951, in his work "Economic Issues of Socialism in the Soviet Union," Stalin drew conclusions in the nature of some summaries concerning a number of economic issues of socialism. He confirmed the existence of the fundamental economic law of socialism and defined this law. He also confirmed the existence of commodity relations in socialist society and defined their characteristics and unique nature. And, together with commodity production, the law of value also has an impact within the socialist economy. Stalin set forth guidelines for resolving the problem of how to eliminate the opposition between the cities and the countryside, between mental labor and manual labor, etc. These arguments were, of course, limited in several respects. However, they were clearly important summaries of theory.

In November 1960, at the Conference of Delegates of Communist and Worker Parties held in Moscow, nine universal laws were cited in the review of the development of the socialist revolution and socialist construction:

--"Leadership by the working class, the nucleus of which is the Marxist-Leninist party, of the laboring masses in carrying out the proletarian revolution in one form or another and in the establishment of the proletarian dictatorship in one form or another; the alliance with the basic masses among the peasantry and the other strata of laborers; the abolition of capitalist ownership and the establishment of communist public ownership of the basic means of production and the gradual socialist transformation of agriculture; the planned development of the national economy; carrying out the socialist revolution in the fields of ideology and culture and training a large stratum of intellectuals who are loyal to the working class, to the laboring people, to the cause of socialism; abolishing the oppression of nationalities and establishing equality and fraternal friendship among nationalities; protecting the gains of socialism against sabotage by foreign and domestic enemies; and the solidarity of the working class of one country with the working class in all other countries, that is, proletarian internationalism."

This was an important summary of the international communist movement. These laws are of universal value in the socialist construction of all countries.

Following that conference, each party, either on its own or in cooperation with other parties and through a variety of approaches, delved deeply into summarizing the lessons and experiences learned and gained in the process of building and developing socialist society, not only general lessons, but specific lessons as well. In the 1970's, issues related to developed socialism were widely and intensely debated. The theoretical views concerning developed socialism held by a number of fraternal parties represent very large achievements in the development of scientific communism.

In summary, the development of socialist construction has been quite broad. The fraternal parties have learned many important lessons and contributed to the development of many aspects of Marxism-Leninism, especially with regard to scientific communism. This does not mean that, from the standpoint of theory or practice, all the problems involved in socialist construction have been completely resolved. Such is not the case. A look back on the process of development as well as a look at the current situation shows that we face more than a few problems in socialist construction that demand better solutions. Permit me to cite a few examples.

--Economically, the achievements of socialism have been very large and show its superiority over capitalism. Of this there is no doubt. However, there are some questions that must be analyzed: why have a number of important heavy industrial sectors developed slowly? Why has labor productivity not increased in a manner consistent with potentials? Why have scientific and technological advances been applied in production somewhat slowly? Why is the quality of some consumer goods still low? Why does the development of agriculture lag behind industrial development? Aside from a number of objective reasons, the issue here is which sort of management mechanism need be applied in order for the economy to develop in a more dynamic and efficient manner. From this perspective, there are several areas in which further improvements must be made as the economic situation develops: planning and the use of the relationships between goods and money; the application of the principle of democratic centralism; the combining of and balancing the various interests; creating strong motivating forces within the economy, etc.

--Politically, the most important factor is the need to apply a mechanism that makes it possible to insure that the leadership role of the party is correctly exercised, that the right of collective ownership of the people is truly respected and upheld and that the state provides effective management. Insuring that the party always retains its revolutionary and scientific character, is always fully capable of finding solutions to problems and does so promptly in order to advance the revolution is not a simple matter.

--The gains that have been made in the fields of culture and ideology by the fraternal countries, especially by the Soviet Union, have truly been marked gains. Socialism has a very large advantage in these fields. However, the problems that need to be solved are considerable. How to make the remnants of the past gradually disappear so that they do not re-establish themselves and develop under the conditions of socialism is also a rather complex problem. Why do serious negative phenomena arise at one time or another in one country or another? Why, in a number of countries in which socialism has won victory, is it still possible for bourgeois culture and ideology to gain a foothold and cause serious harm?

From the standpoint of international relations, the issue is how to insure that every party establishes the correct relationship between the interests of the nation and international interests. We maintain that the relations among the socialist countries are fundamentally different from the relations among the capitalist countries. These are relations based on proletarian internationalism. However, we cannot say that all these relations are good. Selfish nationalism of one form or another continues to be a concern to communists.

3. Since it was founded, our party, in order to seize political power and defend and build the country, has given very much attention to investing intellectual efforts in finding solutions to problems being faced by the revolution. The victories won over the aggressive imperialist powers of our times, the winning of independence and the reunification of the fatherland were, above everything else, the results of scientific thinking by our party. This thinking was embodied in the revolutionary line and methods, in the science and art of war developed by our party by applying Marxism-Leninism, examining the experiences of the fraternal parties and reviewing the experiences gained in our history of resisting foreign aggressors and the practical experience of our country's revolution. These achievements in the field of theory have enriched the intelligence of our party, our nation.

From the perspective of the socialist revolution, to what extent has our party made gains in its thinking? How has this thinking formed and developed? These are questions that must be researched in order to gain a clearer understanding of "Adhering to Laws in Making Changes and Improvements to Economic Management."

In 1954, the North was liberated and began the advance to socialism. Our people had to spend 3 years restoring the economy. Our party saw that the revolution in the North had entered a new stage, the stage of the North advancing to socialism without experiencing the stage of capitalist development. However, as pointed out at the 13th Plenum of the Central Committee in 1957: our perception of the socialist revolution is not truly consistent with the shift by the revolution to a new stage; therefore, there is a less than full understanding of the tasks of the socialist revolution in all leadership activities of the party. In particular, we have been slow to call for the transformation of production relations.

In 1958, at its 14th Plenum, the Central Committee reviewed the mistakes in perception and guidance that had been made with regard to the revolution entering a new stage, the stage of the North advancing to socialism. It analyzed the situation, especially class relations. It set forth the common tasks of the entire country and also touched upon a number of problems of the socialist revolution in the North. It also adopted a number of important policies: intensifying the socialist revolution in the North to serve as the base for the struggle to reunify the country; accelerating socialist transformation, considering it to be the effort of central importance and the transformation of agriculture to be the most important aspect of transformation; placing primary emphasis upon stepping up agricultural production while also attaching importance to the development of industry; teaching ideology and remolding thinking together with developing and transforming the economy. The plenum made an important observation: the forces of socialism in the North are now stronger than the forces of capitalism but the question of "who triumphs over whom" has yet to be resolved.

Thus, the 14th Plenum of the Central Committee began to address the matter of the line on the socialist revolution being defined in the form of tasks. The 16th and 17th Plenums were devoted to discussing the transformation of industry and commerce and agricultural transformation.

At the 3rd Party Congress (1960), our party scientifically analyzed the country's situation, set forth the common tasks of the entire country and the tasks of the revolution in each zone and defined the relationship between the two strategic tasks. This was a very wise, very correct and very scientific decision. This decision guided our people's struggle for the next 15 years. In particular, the congress delved deeply into defining the line on the socialist revolution.

Of foremost importance was the fact that the congress, on the basis of analyzing the situation, defined the three characteristics of the process of the North's advance to socialism, the most important of which is: "The North is advancing to socialism from an agricultural economy based on private, small-scale production." This characteristic made a deep impact upon the line. The fact that our party endeavored to delve deeply into the realities of our country, determined the characteristics of our country, with a view toward developing a suitable line, and avoided dogmatism, avoided copying the experiences of foreign countries reflected the party's spirit of independence and autonomy from the standpoint of its line. Therefore, even the Political Report stated: "We must carry out socialist transformation, socialist industrialization and the ideological, cultural and technological revolutions in a manner consistent with the situation and characteristics of the North."

On the basis of the above mentioned characteristics, the congress defined the process of the socialist revolution in the North: it is the process of change in every field, change from private ownership to collective ownership, from small-scale production to large-scale production, a process in which economic transformation and construction are combined with cultural transformation and development. It is also the process of waging the struggle between the two paths in the fields of economics, politics, ideology, culture and technology. Thus, the thinking concerning the three revolutions was expressed to some extent when the concept of the socialist revolution in our country was defined.

The congress adopted the following general line:

"...Using the people's administration, which is performing the historic task of the proletarian dictatorship, to carry out the socialist transformation of agriculture, the handicraft trades, small merchants and private, capitalist industry and commerce; develop the state-operated segment of the economy and carry out industrialization by giving rational priority to the development of heavy industry while making every effort to develop agriculture and light industry and accelerating the socialist revolution in the fields of ideology, culture and technology, thereby making our country a socialist country that has a modern industry, a modern agriculture, a progressive culture and progressive science."

Some persons ask how, in view of the above, our general line differs from the general lines of the fraternal countries. Viewed in terms of the specifics involved in jobs, many countries have had to perform similarly large tasks. Years ago, for example, the Soviet Union set its tasks as agricultural cooperativization, socialist industrialization and the cultural revolution. We all know that there are certain universal laws in the revolution which must be implemented by the majority of countries or practically all countries. However, when applied to each country, these laws manifest themselves differently. Therefore, Lenin said that every country must find forms, stages and rates of development that are compatible with its own characteristics. Viewed from this perspective, we see that our general line on the socialist revolution has its own special features:

--We are carrying out industrialization but emphasizing that industrialization is the central task throughout the period of transition.

--We are establishing the relationship between industry and agriculture under the formula "giving rational priority to the development of heavy industry while developing agriculture and light industry."

--We also advocate giving priority to the development of heavy industry but doing so in a way that is rational.

Viewed from an overall perspective, this general line defines the following:

--All the factors involved in socialist transformation and socialist construction;

--The backbone of the economic development line, that is, our party's view concerning the relationship between industry and agriculture;

--The targets that must be met: a modern industry, a modern agriculture, a progressive culture and progressive science;

--The tool to be used to build socialism, namely, the people's administration.

There are also countries that have not incorporated all these factors in their policy formula. In taking the direction that we have, we have not simply lined up the various jobs that must be performed, rather, we have tied these factors and elements together within a single entity on the basis of analyzing objective relationships, with consideration given to the trend of development of our country's revolution.

Following the 3rd Party Congress, our party gradually concretized and developed its line. The 5th Plenum of the Central Committee was devoted to agriculture. The 7th Plenum discussed industry. The 8th Plenum discussed the first 5-year plan. The 10th Plenum discussed circulation and distribution... Each of these plenums concretized or developed the line.

When we began the war against the United States for national salvation, efforts to refine the line on the socialist revolution continued. Although in a state of war, the North still had to build the economy in order to create material strength for the resistance against the United States. Moreover, at the time, the North was receiving international aid. On the other hand, consideration had to be given to the possibility that we would win victory and have to carry out construction nationwide. A major split developed within the communist movement during this period. In the name of carrying out the revolution under the dictatorship of the proletariat, Mao Zedong unleashed the cultural revolution and brought a major tragedy upon the people of China. In the early 1970's, Chinese ruling circles began to openly collaborate with the United States. They applied a great deal of pressure to force us to adopt their reactionary line, their line of opposing the Soviet Union, their line of collaborating with the U.S. imperialists and their reactionary line in the cultural revolution. During this period, our party had to display an even stronger sense of independence and autonomy as it continued to refine its line in all three areas: the resistance against the United States, socialist construction and international relations. It can be said that, during the 10 years of the resistance against the United States for national salvation, the line on the socialist revolution--the general line as well as the economic line--underwent important development in breadth as well as depth. This development was reflected in many resolutions of the party and was systematically presented in the book "Advancing under the Glorious Banner of the Party..." in 1970. At the 4th Party Congress, these achievements in thinking were crystallized in the general line:

"Firmly maintaining the dictatorship of the proletariat, upholding the right of collective ownership of the laboring people and simultaneously carrying out the three revolutions: the production relations revolution, the scientific-technological revolution and the ideological and cultural revolution, the key one being the scientific-technological revolution; accelerating socialist industrialization, making it the central task throughout the period of transition to socialism; building the system of socialist collective ownership, building the system of large-scale socialist production, building the new culture and molding the new, socialist man; abolishing the exploitation of man by man, abolishing poverty and backwardness; continuously displaying high vigilance, constantly strengthening the national defense system and maintaining political security and social order; successfully building a Vietnamese fatherland of peace, independence, unity and socialism; and making positive contributions to the struggle by the people of the world for peace, national independence, democracy and socialism."

And, the following line was adopted on building our country's socialist economy:

"Accelerating socialist industrialization, building the material-technical bases of socialism and advancing our country's economy from small-scale production to large-scale socialist production; giving rational priority to the development of heavy industry on the basis of the development of agriculture and light industry and combining the development of industry and agriculture nationwide within an industrial-agricultural structure; simultaneously carrying out central economic construction and local economic development and combining the central economy with the local economy within a unified national economic structure; combining the development of production forces with establishing and perfecting the new production relations;

combining the economy with national defense; strengthening our relations of cooperation and mutual assistance with the fraternal socialist countries on the basis of socialist internationalism while developing economic relations with the other countries on the basis of mutual benefit and maintaining our independence and sovereignty, thereby making Vietnam a socialist country that has a modern industrial-agricultural economy, a progressive culture, progressive science, advanced technology, a solid, strong national defense system and a civilized and happy life."

The general line set by the 4th Congress represented a major stride forward compared to the lines set by the 3rd Congress.

The line set by the 4th Congress defined the following:

a) It defined the elements of the socialism that our people are building as the system of collective ownership, large-scale socialist production, the new culture and the new man. This represents a basic concept of socialism. This concept not only addresses the question in general terms, but also delves deeply into specifics. Consider, for example, the matter of collective ownership. The congress touched upon all aspects of collective ownership; defined collective ownership as both the goal to be achieved and the moving force behind our efforts; defined the mechanism by which collective ownership is exercised as "the party leads, the people are the masters, the state manages," etc. The value of a correct concept of socialism is that of a fine and correct blueprint for a palace about to be constructed.

b) In particular, it defined the path to socialism in our country as simultaneously carrying out the three revolutions, the key one being the scientific-technological revolution. The major lesson learned during the 20 years of the resistance against the United States was that our party developed a very scientific revolutionary method on the basis of reviewing the experience of Vietnam, most importantly the experience of the August Revolution. This method was one of the decisive factors in the victory of the war of resistance against the United States. The discovery of the three revolutions, the relationships among these revolutions and the specific elements of each amounted to the discovery of a path, or a general revolutionary method, for successfully building socialism. When we say that all the new factors that have emerged in our country, from production forces to production relations, from the infrastructure to the superstructure, from the new system to the new man, are products of the three revolutions, it is the same as saying that the specific victories won in the resistance against the United States could not have been won without the guidance provided by the revolutionary method, without the science and art of the people's war.

c) It pointed out the need to firmly maintain the dictatorship of the proletariat and uphold the right of collective ownership of the laboring people, considering this to be the main tool in successfully building socialism. The concept of the dictatorship of the proletariat that was defined at the 4th Congress encompasses many factors that are very deserving of attention. Our party incorporated the right of collective ownership of the people in this category to accentuate which force is the master of the state, which force plays the role as the master of the new society, namely, laborers.

Laborers exercise collective ownership through the state under the leadership of the party. This concept correctly reflects the objective realities of the revolution. At the same time, it has a positive effective in encouraging laborers to participate in the process of revolutionary change.

Many points in the economic line set at the 4th Congress represented developments compared to the 3rd Congress. At the 3rd Congress, the economic line was part of the general line. It was expressed in the relationship between industry and agriculture that was addressed within the general line. At the 4th Congress, the economic line became a separate and distinct line. But that was not the extent of the development that occurred. The economic line set by the 4th Congress deeply analyzed our country's actual situation and revealed those factors that are in the nature of laws in the process of advancing from small to large-scale production. It is these laws that control our country's economic development. If our efforts conform with these laws, the economy will develop smoothly. If they do not, problems and difficulties will be encountered. These discoveries were reflected in the economic line in our party's views concerning how to balance the various relationships within our economy:

--The relationship between industry and agriculture;

--The relationship between the central economy and the local economy;

--The relationship between production forces and production relations;

--The relationship between the economy and national defense;

--The relationship between building the domestic economy and the overseas economy.

Of the various relationships mentioned above, the relationship between industry and agriculture is the most basic. Through practice, our party's understanding of this issue also developed between the 3rd and 4th Congresses. Previously, we called for giving priority to the development of heavy industry while developing agriculture and light industry. Although this was not incorrect, it did not fully or deeply reflect the relationship between industry and agriculture under the conditions of our country. In other words, we failed to see the full extent of the organic relationship between the two major production sectors and the full extent of the close coordination between industry and agriculture within a single economic structure.

Following the 4th Congress, we concretized this line in the form of socio-economic targets. During the 5 years spent implementing this line, we recorded large achievements. However, we also encountered difficulties and committed shortcomings, foremost among which were the shortcomings of impetuousness and conservatism. In the final analysis, these mistakes were due to the failure on our part to fully understand the realities of our country, to fully understand those factors that are in the nature of laws. On the basis of these successes and problems, the 5th Party Congress mapped out the initial stage of the period of transition. This is the period of time during which we will bring about a change in the state of the economy, from not having enough to meet consumer needs to eventually meeting the needs of everyday life while accumulating capital from within the national economy. The length of this period is the 1980's. It is "the stage of continuing to carry out socialist construction and socialist transformation, further strengthening the political and moral consensus among the people, reducing and overcoming difficulties, stabilizing and improving the standard of living, thwarting and eliminating negative phenomena, recording important advances in every field and creating a new balance for the economy while preparing for stronger and more solid strides forward in the next stage."

The congress concretized the general line, especially the economic line, which points out that we must: "Focus efforts on developing agriculture, considering agriculture to be the front of foremost importance, advance agriculture one step closer to large-scale socialist production, make every effort to step up consumer goods production and continue to build a number of important heavy industrial sectors while combining agriculture, the consumer goods industry and heavy industry within a rational industrial-agricultural structure. This is the main theme of socialist industrialization in the present stage." It also represents "giving rational priority to the development of heavy industry on the basis of developing agriculture and light industry" and creating new production forces in this initial stage while preparing the groundwork and forces for accelerating socialist industrialization in subsequent years, the main theme of which will then be building a modern industrial-agricultural structure, at the core of which is a relatively well developed heavy industrial system.

It can be said that establishing the initial stage and defining socialist industrialization as the theme in this stage are the most important steps that have been taken in concretizing the party's line. At present, we are moving in this direction.

Since the 5th Congress, our party has further concretized its line while continuing to direct its thoughts toward refining the theory of the socialist revolution in our country. The book "Adhering to Laws in Making Changes and Improvements to Economic Management" is a major achievement in the above mentioned activities of our party.

In this work, Le Duan addresses the matters that relate to the line from the perspective of those factors that are in the nature of laws of the socialist revolution in our country: the laboring people exercising collective ownership as they simultaneously carry out the three revolutions and build an industrial-agricultural structure; the plan being closely tied to economic accounting and socialist business practices; carrying out the scientific-technological revolution and socialist industrialization; being the masters of distribution and circulation; expanding our economic relations with foreign countries and boosting our exports; building the new culture and molding the new man; meeting the needs of everyday life and accumulating capital in order to carry out industrialization and meet national defense and security needs; building the mechanism "the party leads, the people exercise ownership, the state manages"; and utilizing the combined forces of the revolution. But the issue here is not the form in which these factors are presented. More important is the fact that, by firmly adhering to the methodology of Marxism-

Leninism and delving deeply into the practice of our country's revolution, the factors that are in the nature of laws in the process of advancing to socialism in our country have been discovered and these factors have been presented in the form of laws, thus deepening our understanding of the essence of things.

The matters presented in this work are not abstract concepts or general theoretical views but very concrete matters that are closely tied to everyday practice. Many represent summaries of the practical steps taken in many fields of our country's revolution, especially in the economic field. Their value as practical guidelines is very large.

Therefore, this work represents a step forward in refining the theory on the socialist revolution in our country. We will examine this aspect of the book in the next installment. Here, a number of conclusions can be drawn from the process of the formation and development of the party's line, of the theory on the socialist revolution in our country.

1. Our country's revolution is taking place within a former colony and semi-feudal country that has had to contend with the most reactionary powers of our times. In addition, our country is advancing to socialism from small-scale production. This situation has faced our party with a high requirement, namely, the need to apply Marxism-Leninism to find correct solutions to problems concerning the national democratic revolution as well as the socialist revolution, domestic policy as well as foreign policy and defending the fatherland as well as building the fatherland. One question that has been asked is:

Is our party, in terms of its theoretical thinking, fully capable of resolving these major problems? The development of a line and revolutionary method for seizing political power and the creation of an entire science and art of war provide an eloquent response to this question. The victory over the United States was not a matter of luck. It was the victory of Marxism-Leninism, of the revolutionary science of the proletariat, the victory of Vietnamese intelligence over the political and military theories employed by U.S. imperialism in this war. These facts clearly prove how capable our party is of scientific thinking. Does this capability of ours extend to the socialist revolution? Facts have proven that our party has met the demands of our country's socialist revolution, too. Our party has formulated a correct general line and a correct economic line and discovered those factors that are in the nature of laws of the socialist revolution in our country. This is another major achievement in the theoretical thinking of our party. This achievement has been guiding, is guiding and will continue to guide the path of our country's revolution for a long time to come, for many more decades.

2. The achievements that have been recorded in developing the theory on the socialist revolution within a country whose economy consists mainly of small-scale production are the result of applying Marxism-Leninism to the conditions of Vietnam. At the same time, these achievements have helped to enrich Marxism-Leninism. To those factors that are in the nature of laws, our party has added many new points: the theory on collective ownership; the theory on simultaneously carrying out the three revolutions; the theory on the

industrial-agricultural structure; the view concerning the use of combined strength in the socialist revolution; the view concerning the mechanism "the party leads, the people exercise ownership, the state manages," etc. We speak with modesty when we say that our party has creatively applied Marxism-Leninism, has made certain contributions to the theory on the socialist revolution, has further enriched the theory of Marxism-Leninism.

3. What reasons lie behind our party's ability to resolve such questions of revolutionary theory? Of foremost importance is the fact that our party is loyal to Marxism-Leninism. This is not the loyalty of having committed principles to memory, but the loyalty of firmly adhering to the revolutionary and scientific essence of Marxism-Leninism, of adhering to this essence in all of its activities. Our party adheres to Marxism-Leninism so that it can fully analyze the realities of the Vietnamese revolution, summarize the profound lessons of the Vietnamese revolution, carry on the fine traditions of the nation and find correct solutions to the problems of the revolution. This is the heart of that which is called the spirit of independence and autonomy seen in the view "correctly combining the universal with the particular in the application of objective laws." A spirit of independence and autonomy in applying Marxism-Leninism to develop a line and find solutions to problems facing the revolution is far different from nationalism. It is the opposite of dogmatism and the malady of following a line that blindly applies the experience of foreign countries. At the same time, it is the opposite of revisionism, which rejects the universal principles of Marxism-Leninism, and the "closed mind" attitude of not wanting to critically examine the experience of the fraternal parties.

4. These achievements in the field of theory have been the result of the creative thinking of our party, of the leaders of our party, among whom General Secretary Le Duan has made very large contributions. We need to have comrades who fully realize the importance of theory, who correctly perceive the needs of our country's revolution from the standpoint of theory and who not only employ correct methods of thinking but are also intensely interested in theory and give their thought to matters of theory night and day in order to meet the needs of the revolution. We must be ever mindful of the words spoken by Marx: "In science, there is no broad, smooth road, only persons who do not fear the exhaustion of climbing its narrow, rough paths in the hope of reaching the shining peaks of science."(1) The fact that Marx spent a full 40 years writing "Das Kapital" in order to give the proletariat a doctrine that would light the way to its liberation is a great example of the spirit of scientific research.

For more than 30 years, in concert with the Political Bureau and our Party Central Committee, General Secretary Le Duan has given constant thought to matters of theory, to matters concerning the line to be followed by a country that is advancing from small-scale production to socialism without experiencing the stage of capitalist development, which is a path of development unprecedented in history. By means of scientific thinking and drawing experience, based on the realities of our country, from the process of the socialist revolution in our country, Le Duan and the other leaders of our party gradually found answers to the questions being faced and arrived at definitions of those factors that are in the nature of laws in the process of advancing from small-scale production to large-scale socialist production. The fact that it has taken 30 years to record these achievements in the field of theory is testimony to the steadfast determination of our party in its search for the path to be followed by our country's revolution.

These achievements are certainly not only of practical significance to our country, but have also made positive contributions to the development of Marxist-Leninist theory.

[March - April 1985, pp 9-19, 29]

[Text] Part II: the Contents of the Work

In his speech, the General Secretary presented 10 factors. Below, allow me to present some main points concerning each.

A. The laboring people exercising collective ownership as they simultaneously carry out the three revolutions.

1. "The laboring people exercising collective ownership is a totally new factor in our country as well as the other socialist countries." Our party gradually came to recognize this factor. This recognition led to the formation of the theory on collective ownership, which is a matter of special importance, both from the standpoint of theory as well as practice. Because, "the exercise of collective ownership by the laboring people is the essence of the new system and establishing the socialist collective ownership of the laboring people is the overriding goal of the socialist revolution in our country." On what basis did our party introduce the system of collective ownership of the laboring people? As we know, the birth of every theoretical concept is closely associated with a specific set of historical circumstances. Lenin advanced the argument that the proletarian revolution can win victory in just one country to replace the argument of Marx that the proletarian revolution would break out and win victory in a host of countries at the same time because circumstances had changed. Capitalism had developed into imperialism and imperialism's law of uneven development had emerged and begun to have an impact. Through the long struggle of our people, through the general uprising in August 1945, our party was able to develop the theory on violent political force and violent armed force, which lies at the core of Vietnam's revolutionary method. Specific circumstances also surrounded the birth of the theory on collective ownership.

First, "the 4,000 years that we Vietnamese have spent building and defending the country have forged in our nation durable and precious traditions: the will to be the masters of the country and a spirit of community. As a result of these traditions, our nation remained true to itself and was not assimilated during 1,000 years of domination by northern feudalism. Our forefathers won victory over wars of aggression launched by one dynasty after another of Chinese expansionist powers." A profound awareness of this tradition that is our people's will to be the masters of their country was an important basis underlying the development of the concept of collective ownership.

Secondly, "today, under the guidance of Marxism-Leninism, this tradition has come together with the trend of our times, thus creating the enormous moving force that is the new system, a system that guaranteed our people of victory over the two most powerful imperialists, France and the United States." This is a very important reality. Why, in the August Revolution, did all our people, from the North to the South, from the cities to the countryside, from the lowlands to the mountains, from the old to the young, arise to seize political power? Why, for several decades in a row, were our people able to overcome every difficulty they faced in order to win victories of historical and epochal significance over France and the United States? It was because our people possess the will to be the masters of their country, possess the system of ownership of the new age. Without having a profound awareness of, without summarizing this great, heroic reality of our national history, there could have been no profound concept of collective ownership.

Thirdly, merely possessing the precious tradition and experiencing the realities described above were not enough. A correct methodology, a theory were also needed. It was Marxism-Leninism that supplied this weapon to our party. Applying the Marxist-Leninist world view, applying dialectical materialism and historical materialism, the party gradually gave thought to tradition, summarized the broad practice of our country's revolution, examined the history of the development of man, researched the experience of the fraternal countries in socialist construction and, on this basis, advanced the theory of collective ownership.

Collective ownership was introduced by our party not in the form of a few unconnected policies or ideas, but as a system of scientifically based arguments. Our party not only showed us the objective need for the birth of the system of collective ownership, but has also clearly defined what collective ownership entails in the fields of politics, economics and culture; clearly defined what it means to be the master of society, the master of nature and the master of oneself; defined collective ownership as the objective and moving force; and defined the mechanism of the system of collective ownership as "the party leads, the people exercise ownership, the state manages." The theory of collective ownership is not contradictory to Marxism-Leninism. Rather, it enhances Marxism-Leninism. When Lenin advanced his theory on socialist democracy, he pointed out that socialist democracy is one million times better than bourgeois democracy. This has been a very important theory in guiding socialist construction. Our party advanced its theory on collective ownership not to contradict socialist democracy, but to develop upon socialist democracy. Collective ownership extends into all political, economic, cultural and social relations.

2. Collective ownership as the essence of the new system, as the overriding objective of the socialist revolution, as the combined result of the three revolutions.

Here, instead of delving into all that is involved in the three revolutions and the relationships among these revolutions, we will analyze the role and impact of each revolution in the formation of the system of collective ownership.

"The production relations revolution lays the economic base for the laboring people to exercise collective ownership as the masters of labor, the owners of the means of production, the masters of production, the masters of distribution and circulation." It must be emphasized that in the production relations revolution, we have, during the past few years, recorded important achievements in the socialist transformation of agriculture in the South and the implementation of the new form of contracts has strengthened the collective ownership of cooperative member farmers. However, it must be realized that there are still some areas and elements of the production relations revolution that are being given light attention. For example, we have relaxed the effort to transform private commerce and allowed the bourgeoisie to re-establish themselves in commerce, allowed the number of small merchants to reach a level that is excessive. These mistakes have weakened the base of the socialist economy, weakened the right of ownership of the laboring people. We are rectifying these shortcomings and positive changes are taking place in the transformation of private commerce. Therefore, "giving light attention to any aspect of the production relations revolution weakens the economic base of the system of collective ownership."

The scientific-technological revolution "gives the laboring people increasing ability to be the masters of nature, to be the masters of society so that they can build the 'material backbone' of the new system and successfully carry out socialist industrialization, thereby insuring that collective ownership wins total and permanent victory over private ownership." Our most acute difficulty is that the "material backbone" of socialism is still very weak. In practical terms, every sector, every locality, every unit and every laborer encounters this difficulty every day in the form of shortages of electricity for production and everyday life, shortages of iron and steel for all needs, shortages of nitrogen fertilizer for agriculture, etc. Although this is the reality we face, is it deeply understood by everyone, is everyone taking practical steps to actively carry out the scientific-technological revolution so that we can build this material backbone more quickly? We must clearly recognize that "if we lack the enthusiasm to delve into science and technology, if we lack the determination to carry out industrialization and if we are slow to introduce the scientific-technological revolution where necessary, production will stand still, the laborer's life will be hard and, of course, the right of collective ownership of the laboring people cannot be firmly guaranteed in any field."

"The ideological and cultural revolution molds the new, socialist man, the collective owner who possesses both the sense of ownership and the ability to exercise this ownership." During the past 10 years, the ideological activities conducted by our party have raised the political awareness of our people to a new level: the will to reunify the country, the sense of following the socialist path, the spirit of patriotism, the determination to defend the country and resist the Chinese reactionaries, the sense of fulfilling our international obligation, the sense of reliance, of enduring difficulties and hardships in labor and combat, etc. This political awareness has made important contributions to the victories of the revolution in past years. While confirming this fine feature, we can never give light attention to the ideological weaknesses that exist, weaknesses that are most evident in the negative phenomena found in society. These negative phenomena have caused much harm. They have caused a considerable amount of wealth to be lost. They have corrupted some of our people. They have made some cadres and party members deviant. They have eroded the spiritual values that we have been working so hard to cultivate. They are related to many issues and due to many reasons. However, the most important reasons are "the relaxation of our efforts on the ideological and cultural front; the failure to wage a determined struggle against bourgeois, colonial and feudal thinking and culture; and the failure to criticize and transform the thinking, way of life, psychology and habits of the small-scale producer, the remnants of the old culture and backward customs, which have caused persons to go bad and provoked selfish individualism. The system of collective ownership requires persons who exercise collective ownership. Only by gradually molding the collective owner is it possible to establish the system of collective ownership. And, it is through the establishment of the system of collective ownership that the collective owner is molded.

In summary, the system of collective ownership is an entity consisting of political, economic, cultural and social relations. It must be built in a well coordinated manner through the three revolutions. It is empty talk to say that collective ownership does not begin with taking concrete steps to carry out the three revolutions within one's sector, one's locality, one's basic unit. "The system of collective ownership is not only the ultimate objective of the socialist revolution, it is also the everyday revolutionary objective." "The new, socialist social relations form, develop and mature through the gradual development of the socialist revolution. We must promptly begin the gradual process of establishing these relations in the forms of appropriate organizations, systems, principles, laws, rules and so forth with the aim of insuring that the laboring people are always truly the masters of their lives. As the three revolutions develop, the development of the system of collective ownership will gradually proceed from a low to a high level, from incomplete to complete."

3. Collective ownership is not only the objective of, but also the basic moving force behind the three revolutions. This force arises from the objective of ownership being achieved. However, achieving this objective does not automatically mean that the impact of this moving force is as full as possible. Therefore, there is a need to have a conscious realization of the cause and effect relationship between objective and moving force and apply it in practice in order to build an enormous moving force within the revolution.

Most importantly, it must be realized that collective ownership creates a combined moving force. Because, the exercise of ownership in the fields of politics, economics and culture provides the laboring people with three most effective tools: political power, economic and scientific-technical strength and the strength of ideology and culture. By viewing collective ownership from this perspective, each basic unit and locality can, when performing any job, see the potentials and moving forces that can be used to complete a specific task. Of course, each potential must be analyzed. However, of importance is the need to know the relationship and reciprocal impact among these potentials so that they can be used as a combined moving force.

The system of collective ownership combines the strength of the community with the strength of the individual and creates for us a very large moving force. Because, "the system of collective ownership brings the individual, the family and society together within one rational existence." The old systems set society against the individual and the family. The capitalist system is superior to the feudal system in that it liberates the individual to some extent compared to feudalism. However, capitalism cannot bring society and the individual together. This can only be achieved under socialism. In the socialist system, we have the strength of communal ownership, that is, the concerted strength of the entire country, of each unit and each collective. However, we also have the strength of each individual. This strength consists of the physical strength, the intelligence and the talents of each person, which are liberated within a framework and in a manner consistent with communal ownership. Combining these two strengths, the strength of communal ownership and the strength of ownership exercised by the individual, is what gives socialism its superiority over capitalism. We must know how to use this superiority in economic construction and the development of production.

Within our society, there are times when we encounter phenomena that are difficult to explain: why do the "5 percent plots" produce yields of 6 to 7 tons per hectare but the fields of cooperatives only produce 3 to 4 tons? Why are there times when some state-operated restaurants are not better than private restaurants? These questions give some persons reason to doubt the superiority of socialism. How do we explain these situations? The above phenomena are not the result of socialism, but the result of our failure to utilize the advantage that socialism affords us. Before the new form of contracts was introduced, poorly run cooperatives that recorded low yields were in the state that they were chiefly because they did not know how to utilize this advantage. When the new contracts were implemented, the collective undertook five jobs, performing them very well, and contracted with cooperative members to perform three jobs. However, as a result of good guidance being provided, that is, as a result of combining the strength of the collective with the strength of each individual, the yields of cooperatives have markedly risen and the superiority of socialism has been made evident. For the individual private farmer in our country, personal moving forces are, of course, strong. Private farmers work night and day. However, how can the individual private farmer obtain all the forces needed to build water conservancy projects to combat drought and flooding, all the forces needed to build modern material-technical bases for agriculture and so forth? Only the strength of the community, the strength of the collective, the locality, the entire country combined with the strength of each liberated farmer can solve these problems and advance agriculture to large-scale socialist production. The lesson to be learned from the product contracts in agriculture is the lesson of developing economic forms that combine the strength of the community with the strength of the individual.

4. That which creates the backbone of the moving force that is the exercise of collective ownership within the economy, be it ownership exercised by all three levels or ownership exercised by the community combined with ownership by each individual, is economic interests. "The laboring people seize the right of ownership for no other purpose than to serve their interests." It is through economic interests that economic relations are expressed. Under

socialism, economic interests are: the common interests of society, the interests of the collective and the interests of the individual laborer. Viewed from another perspective, they are the interests of the basic unit, of the locality, of the entire country. This is not to mention the interests of the various classes and strata of society. The objective existence of these interests is determined by the level of development of production forces and production relations, by the different conditions of each locality, by the role and skills of each laborer. As structured under socialism, "the interests of society are supreme and long range, the interests of the collective are very important and the interests of the individual laborer are immediate." Combining these three interests in a way that is balanced will create a moving force that spurs socio-economic development and motivates the laborer to produce better. The product contracts within agriculture have had a major impact because they balance the various interests: the interests of the state, the interests of the collective and the interests of the individual laborer.

It can be said that we have learned many lessons in recent years in our effort to improve the management of the economy. Among these is the lesson of gaining a correct understanding of economic interests, of the structure of interests in the initial stage of the period of transition, of the order of priority of these interests and of how to use these interests as a force in economic development. We have overcome the idealism of giving light attention to economic interests, of considering economic interests to be something shallow and impure, an idealism that did not reflect a thorough understanding of the view of Marx: "Once 'ideology' becomes separated from 'interests,' it will surely bring disgrace upon itself."(2) We are trying to combine and balance the three interests in all economic policies. When establishing the relationship among these interests, we absolutely must struggle against tendencies that are incorrect. Bureaucratic centralism, viewed from the economic perspective, is a manifestation of giving light attention to the interests of the individual laborer, of the basic unit and the locality. Localism, departmentalism, the guild mentality and individualism are only concerned with furthering the interests of the locality, the interests of the collective and the interests of the individual laborer and harm the interests of the entire country. These are tendencies that we must correct.

B. Building the industrial-agricultural economic structure.

1. "The structural relationship between industry and agriculture is an objective reality that has existed since ancient times, since man stopped being a gatherer and began raising crops and livestock to provide himself with food and clothing. By working the soil with the crudest of implements, man brought agriculture and industry together within a single production process." The point to be made here, however, is that this occurred in a spontaneous fashion. Man was not the master of this relationship. With the birth of socialism, man was able to gain an understanding of this relationship, a relationship that is in the nature of a law, and use it as the basis for setting direction to his actions. However, not everyone correctly or deeply understands the relationship between industry and agriculture under these specific conditions. And, once this relationship is not understood and is allowed to develop in a spontaneous way or in a way that violates laws, the

harm caused is considerable. We all know that the economic structure ties the various economic sectors and economic zones together within a unified entity, an entity within which the relationship between industry and agriculture is the most basic and decisive relationship. This economic structure reflects the socialist division of labor among the various sectors and zones and even within each sector and zone. It reflects the multi-faceted proportional relationships that exist among the various sectors: the relationships involved in the distribution of labor, the relationships regarding the value of products, the relationships regarding the form of trade, etc. From national income and the division of social labor, one can learn something about the status of the economic structure. Having a detailed and deep understanding of the relationship that exists between industry and agriculture in the process of the forward movement of our country's economy so that we can orient our efforts in the proper direction is an indispensable requirement in the economic leadership provided by the party.

2. With our country advancing from small to large-scale production, our party gradually recognized, at an early date, the need to closely tie industry to agriculture within a modern industrial-agricultural structure to lay the material base, the foundation for the system of collective ownership. The question then faced was: what sort of line need be adopted to build this economic structure? It is the line of "giving rational priority to the development of heavy industry on the basis of developing agriculture and light industry." "Within the relationship between heavy industry and agriculture and light industry, the role of giving rational priority to heavy industry as well as the role of agriculture and light industry as the base of the development of heavy industry create the conditions that each other needs, and these two roles being closely tied together within such a structure is the law of economic development."

This is the line on building the industrial-agricultural structure that will be followed for the entire period of transition. The 5th Congress concretized this line for the initial stage. Here, there were many approaches from which to choose:

--Immediately focusing our efforts on building a heavy industrial system, immediately building huge iron and steel projects producing tens of millions of tons per year and building scores of heavy machine enterprises to produce large machines and complete modern equipment systems. At present, we lack the conditions needed to take this approach.

--Only focusing our efforts on developing agriculture and either not developing the consumer goods industry and heavy industry or only developing them to a small degree. Were we to take this approach, we would, in practical terms, also be unable to advance our country's agriculture to large-scale production and the economy would not develop in the immediate future or over the long range.

--Developing heavy industry and agriculture at the same time in a balanced manner, without concentrating our efforts on either, without giving priority to either.

Because not one of the three approaches mentioned above is compatible with the specific conditions that exist in the present stage, our party selected the approach of "focusing efforts on developing agriculture, considering it to be the front of foremost importance, advancing agriculture one step closer to large-scale socialist production, making every effort to step up consumer goods production and continuing to build a number of important heavy industrial sectors." This is the best approach to take in the current stage.

As part of the main theme of socialist industrialization in the initial stage, we have made developing agriculture the task of foremost importance and are focusing our efforts on agricultural development because:

--Our most precious asset is much human labor;

--Those objects of labor of our country that can absorb the most labor are our arable land, forests and offshore waters;

--Another potential that is capable of absorbing much labor is the sectors and trades;

--The most important moving force we have in accelerating socialist construction is the system of socialist collective ownership.

In its analysis of the above mentioned conditions, the 5th Congress pointed out: "Of utmost importance, that which we can and must do first, is to exercise collective ownership so that we can make rational and effective use of our labor and arable land and expand the sectors and trades at each installation, within each locality and throughout the country in order to provide everyone with a job, develop all arable land, develop each sector and trade in breadth as well as depth and achieve higher social labor productivity, raise the value of total output and broaden the variety of products."

Taking the direction described above means advancing agriculture to large-scale socialist production even in the initial stage. The factors of large-scale socialist production within agriculture in this stage are: producing and distributing agricultural products in accordance with a nationwide plan; strengthening the material-technical bases and applying scientific-technical advances within agriculture; completing the socialist transformation of agriculture and perfecting the new production relations; building the new countryside and molding the new farmer.

We are advancing agriculture to large-scale production by "redistributing labor within each locality and throughout the country in order to practice intensive cultivation and multicropping in conjunction with opening new land to cultivation; carrying out development in the lowlands, midlands, mountains and offshore waters; establishing a close link between specialization and general business within agriculture; strongly developing both crop and livestock production; closely combining agriculture, forestry and fishing..."

"The actual results that have been achieved during the past several years under the above guidelines have shown us that it is possible to advance agriculture to the point where it is fulfilling all three tasks: providing food, clothing and shelter for the people, especially producing grain and establishing reserves while supplying agricultural raw materials to the consumer goods industry and creating important sources of export goods."

The development of agriculture must be closely combined with the development of the consumer goods industry.

The role played by the consumer goods industry is important because it is an industry that utilizes much labor; increases the value of agricultural products; provides goods to trade with farmers and stimulates production; supplies export goods; generates large revenues for the budget and reduces the deficit. However, our country's consumer goods industry is currently only operating at one-half of capacity and production is increasing slowly. As a result, there is a shortage of goods to trade with farmers and this has made it difficult for the state to control goods and money and affected the standard of living as well.

We possess all the capabilities we need and can quickly resolve the problem of stepping up consumer goods production by doing a good job of supplying energy, supplying raw materials, restructuring production and improving the management system.

However, whether or not agriculture and the consumer goods industry develop is also dependent upon the development of heavy industry: energy, raw materials, fertilizer, pesticides, farm implements, transportation, etc. Therefore, "we must always maintain and build upon the role of giving rational priority to the development of heavy industry. We must make very good use of existing heavy industrial capacity and build necessary heavy industrial installations." Attention must also be given to the point that until we succeed in building a developed heavy industrial system, we must give constant thought and effort to creating the conditions needed to achieve this objective. It is a painful situation for a country that has a population of 60 million to produce less than 60,000 tons of steel per year, an average of 1 kilogram per capita. We must insure that everyone has a profound awareness of industrialization and takes practical steps to actively contribute to this great cause.

3. "The very important role as the foundation of the structure of the economy belongs to the basic units. Without basic units, there can be no industry or agriculture, no central economy or local economy, no economy at all." We have 400 large enterprises and federations of enterprises and some 400 districts. The district is a basic unit that has close ties to cooperatives, is the place where strengths come together in order to create a combined strength. Discussion at the recent 6th Plenum of the Central Committee focused on the matter of basic production units because these are the places that create wealth, the places that carry out the three revolutions, the places where the majority of the difficulties and obstacles encountered in economic management are seen. And, on the basis of the situation that exists at basic units, the plenum examined the activities of the entire management system. If we try to restructure production and improve the management system at basic units in

keeping with the spirit of the resolution of the 6th Party Plenum, we will surely be able to accelerate production and produce a much larger volume of products.

"The exercise of collective ownership on all three basic levels leads, of course, to an economic structure that ties the basic units of the central economy and the local economy together." When studying this portion of this work, in addition to grasping the specifics that make up the central economy and the local economy, attention must be given to the following argument: "By rationally defining the structure and simultaneously developing the central economy and the local economy, we bring together all three stages of simple cooperation, the manual labor worksite and the heavy machine industry, make correct use of rudimentary and modern technologies, of large, medium and small scales, combine specialization, cooperation and federation within production well and advance to large-sale production in the most rational and effective manner possible."

4. It is necessary to fully grasp the relationship between the economic structure and the economic management system.

As mentioned above, the economic structure ties the various economic sectors and economic zones together within a unified entity, an entity in which the relationship between industry and agriculture is the most basic. In addition, a separate structure exists within each economic sector. For example, within agriculture, there is the crop production sector and the livestock production sector. These two sectors have an impact upon each other and are tied together to create the agricultural sector. Thus, the economic structure is an objective reality. The economic management system, on the other hand, is a combination of various economic forms that are designed to have an impact upon the persons participating in the production process so that pre-determined economic objectives are achieved. "The economic structure and the management system are linked together within a single entity, within which the economic structure determines the management system and the management system supports the economic structure and stimulates the formation of the new economic structure."

The plan, which is the main component of the economic management system, must map out, in a correct and detailed manner, the process of the formation and development of the economic structure. Leverage policies must be oriented toward stimulating the development of this structure as quickly and effectively as possible.

In the current situation, the focal point of efforts to change and improve the economic management system must be the weaknesses in the economic structure. The management system must have an impact upon basic units, which are the foundation of this structure, and upon the districts in building the industrial-agricultural structure.

From the standpoint of society, there are two classes that are compatible with the industrial-agricultural economic structure, the working class and farmers. These two classes exercise ownership together under the leadership of the working class. Within the management system, when setting policies that define the relationship between industry and agriculture, we must also define the relationship between workers and farmers, a relationship that must take the direction of these two classes exercising ownership together.

C. The plan being closely tied to economic accounting and socialist business practices.

1. Le Duan points out: "The realities of socialist construction show that planning is one of the basic and pressing, but also difficult and complex matters in applying economic laws, developing the many moving forces of the new system and creating the factor that will determine the victory of socialism, that is, labor productivity higher than capitalism."

In the process of building socialism in the Soviet Union and in the fraternal countries as well as in our own country, planning has displayed its superiority over the capitalist system. However, in the process of improving management, it is necessary to constantly improve planning. Finding suitable forms that make it possible for planning to develop upon the advantage that it has is not easy. From the improvements that a number of countries have made to their economic management, we see that planning has undergone changes and now consists of many different types.

Direct planning was the universal approach taken by many socialist countries up until the 1960's. The tendency under this approach to planning was for the central state to plan every economic process in detail, as a result of which the plan of the central level was quite specific and very detailed. Under this approach, the plans of the lower levels were primarily determined by the central level. The central level assigned very many quotas to the lower levels, which were required to meet these quotas. The central level determined the product output, product line, wage fund, staff, labor force, material consumption and so forth of enterprises and determined which crops and species of livestock would be raised by cooperatives, how much area they would put under cultivation, what their yields would be and so forth. This approach to planning clearly made it difficult to tap theinitiative and creativity of localities and basic units. However, this style of planning did have an impact under the circumstances that existed when socialist construction was first launched, namely, a lack of management experience and a need for a certain degree of centralization. The achievements of socialism in the fraternal countries during the initial period were closely tied to this style of planning. However, with the passage of time, this approach to planning was shown to have many drawbacks. The most obvious of these was that the agencies on the central level had the authority to decide plans but were unable to keep fully abreast of changes in the situation and did not bear material responsibility for their decisions. Businesses were responsible for the results of their operations and clearly understood their own situation but lacked authority when it came to determining their plan. The fraternal countries gradually improved their planning and corrected these drawbacks. Following these improvements, many types of planning emerged.

Indirect planning:

This type of planning is characterized by the following:

--When determining plans, the state agencies on the central level set targets and the policies concerning the structure of the economy, the overseas economy and the use of economic levers on the basis of the resolutions of the congress.

--The basic units determine their plans on the basis of the tasks recorded in the overall plan, the policies promulgated by the state, their own conditions and other circumstances.

This planning is called indirect planning because it emphasizes the use of the relationships between goods and money in allowing the basic units to set and take steps to meet the targets of their plan. This mechanism is based on the following argument: under socialism, commodity production still exists; therefore, it is necessary to effectively utilize the relationships between goods and money and market relations as tools in the management of the economy. When implemented, this planning mechanism also gives rises to a number of problems that must be resolved: because the basic units determine their own plans, there is the possibility that competition for raw materials, markets and labor will cause imbalances, etc.

Semi-direct, semi-indirect planning:

This mechanism involves planning from the upper level downward through a system of fewer legal norms than previously applied; at the same time, it broadens the business independence of enterprises and strengthens the use of economic levers. This mechanism corrects some of the limitations of direct planning but still has certain drawbacks and must continue to be improved.

In view of our country's circumstances, which type of planning does our party advocate that we apply? The mechanism we have applied is: the plan being closely tied to economic accounting and socialist business practices. Our party's concept here is: "The state plan defines the structure, balances, proportions and economic norms that reflect the strategy selected for the national economy. In keeping with this spirit, the purpose of planning is to control all material wealth, labor, land and other natural resources and make good use of each material-technical base and all production capacity so that much wealth is produced for society. Everything from major construction projects for which tens of thousands of persons and billions of dong in capital are mobilized and state-operated enterprises employing several thousand workers to the production activities of each farmer and private handicraftsman is either part of the plan or drawn within the sphere of the plan. Everything from meeting the many large needs of society and making long-range preparations for future generations to supporting the daily life of each family, raising children and caring for the elderly is included in the balances of the plan."

Some questions that arise are: is this approach to planning too broad? Does not this approach require the central level to set too many norms? Why are some things not left to be adjusted by life itself?

We maintain that the requirements we have set are not too high. True, the plan cannot encompass each and every aspect and detail of life. True, there are some matters that will be adjusted by life itself. However, the plan must encompass the elements mentioned above. We maintain that the plan of the central level should not be too detailed. However, this is no reason to narrow the scope of the plan. The plan of the central level cannot encompass everything but the plans of the localities and basic units can encompass many of the details of life. The plan of a cooperative must not only take into consideration the labor of each individual and the potentials of each plot and field in order to set the production norms of the cooperative, but must also give attention to the household economy, clearly reflect the yield of each orchard and fishpond of each household, give attention to the meals of each family, the health of each individual, etc. Through this approach, the plan can encompass many aspects of life. Moreover, some matters that cannot be incorporated within the plan can be brought within the sphere of the plan.

In order for the plan to be this rich in content, our party has advanced the viewpoint: "To correspond to the three fundamental levels that exercise collective ownership, we must establish three fundamental planning levels." "Three planning levels does not mean that one plan is decided at one center and then divided into parts to be assigned to each lower level or, conversely, that each unit does whatever it pleases with no regard for the plan of the upper levels.

Three planning levels exercising collective ownership means that each level must truly be the master of its plan, must formulate, balance, defend and implement its own plan. Each basic unit and locality is given broad authority to develop each potential of production units, display dynamism in business, achieve high efficiency and provide for rational distribution on the basis of the guidelines, tasks and primary norms of the entire country. They must improve the standard of living of the laborer, meet the unit's expanded reproduction needs and contribute more and more to socialist industrialization."

Thus, we oppose bureaucratic centralism in planning and have allowed the localities and basic units to display greater independence and initiative in planning while overcoming and correcting the tendency to want to abandon the plan.

Our party maintains that "the plan must be the strongest lever within the system of economic levers, must not only be legally binding, but also truly provide tremendous incentive and encouragement to all basic units, localities and sectors and to each laborer." We must rid ourselves of the concept that the plan amounts to nothing more than compulsion. True, under the bureaucratic centralism approach to planning, in which the upper level compels the lower level to accept norms and uses mainly administrative measures to achieve implementation of the plan, the plan is nothing more than a matter of compulsion. Here, however, it is our policy that planning be carried out by the three fundamental levels. When formulating their plan, each locality and basic unit makes a broad range of calculations and selects the best possible options, ones that are consistent with the overall requirements of the country and serve the interests of the locality and basic unit as well. When formulating a plan, calculations must be made in many different areas, all of which fully reflect the view of combining the three interests in a way that is balanced. Each locality, basic unit and laborer sees how they will benefit when this plan is successfully implemented. It is in this way that the plan becomes the strongest lever within the system of levers.

However, to accomplish this, the plan must be closely tied to economic accounting and socialist business practices. That is, appropriate use must be made of the relationships between goods and money when formulating a plan and implementing it. Under socialism, commodity production still exists. Therefore, it is impossible not to utilize the relationships that exist between goods and money. In addition, we are in the initial stage of the period of transition. At present, our country's economy encompasses both the commodity production of the socialist economy and the commodity production of small-scale producers, of the private capitalist segment of the economy. Therefore, it is even more necessary for us to utilize the tools of prices, wages, money and the market. The question here is a matter of limits. "When not closely tied to economic accounting and socialist business practices, the plan is nothing more than the subjective product of bureaucratic management agencies that are divorced from life. Economic accounting that does not have the plan at its center loses its character, its soul and is no longer economic accounting, but only guild style management. Business practices that are divorced from the plan are business practices that are divorced from socialist guidelines and emphasize the role played by the market's law of value."

[July 1985, pp 6-17, 41]

[Text] IV. Carrying Out the Scientific-Technological Revolution and Socialist Industrialization

1. The first technological revolution, which occurred during the last century, primarily involved the conversion of manual labor into mechanized labor. The current scientific-technological revolution is creating automated machine systems, new sources of energy and raw materials, advanced production techniques and modern means for regulating the economy and managing society. This revolution, which has developed very strongly, is permeating and bringing about major changes in all fields of social life.

In view of the conditions of our country, a country whose economy is still at a low level of development and consists mainly of small-scale production, are we capable of applying the achievements of the scientific-technological revolution? Le Duan points out: "Many scientific achievements and technological advances can be applied in countries whose level of economic development is not high." Moreover, our people have the system of collective ownership. "By building upon the superior nature of the system of collective ownership of the laboring people, we can tap the enormous capabilities of the scientific-technological revolution." In actuality, we have already begun to use a number of new machines, new raw materials and modern means developed in the scientific-technological revolution as we have expanded the process of replacing manual labor with mechanized labor. Moreover, "the achievements of science and technology are not only materialized in the form of equipment, tools and materials. To a large degree, they also take the form of advanced knowledge, standards that conform with the laws of nature and society, modern production techniques in industry, integrated intensive cultivation methods for achieving higher yields in agriculture and new, creative approaches in economic management." There is much that we can do to apply this advanced knowledge and these new approaches in many aspects of life. The application of a number of the above mentioned measures in the intensive cultivation of rice, such as the widespread use of new rice varieties to produce high yields, is a concrete example. On the basis of our practical experience in applying the achievements of the scientific-technological revolution, our party has pointed out: "Under the system of collective ownership, manual labor can learn and apply advanced achievements, such as those of the biological revolution, methods of achieving higher yields in crop and livestock production and modern industrial techniques." This important line of reasoning encourages our people to display initiative and creativity in applying the achievements of the scientific-technological revolution and corrects the attitude that these achievements are something highly developed and difficult to apply under our country's circumstances.

Clearly recognizing the role played by the scientific-technological revolution, our party "has made the scientific-technological revolution the key element of the socialist revolution." Because, only by successfully carrying out the scientific-technological revolution is it possible to create the material-technical bases of socialism, create the material backbone of the new system and insure that the laboring people are increasingly the masters of nature, the masters of society, that collective ownership wins complete and permanent victory over private ownership.

"The role of the scientific-technological revolution is closely linked to the performance of that which is the central task throughout the period of transition, socialist industrialization, the aims of which are to build a large-scale machine industry to equip all sectors of the national economy with modern technology, build a system of heavy industry and develop the infrastructure, especially the communications-transportation system."

Certain material, political and social conditions must be created in order for the scientific-technological revolution to develop strongly within each basic unit, each locality, each sector and throughout the country. Thus, there is much that we need to do: strengthen the system of collective ownership and uphold the people's right of ownership, considering this to be the force moving the masses to become involved in the scientific-technological revolution; establish and perfect socialist production relations in order to open the way for the advancement of the scientific-technological revolution; create material conditions, most importantly carry out the formation of capital for industrialization; mold the new man; and build a corps of scientific-technical cadres that consists of persons who are knowledgeable and consciously carry out this revolution.

2. It is necessary to firmly adhere to the formula and guidelines for carrying out the scientific-technological revolution in our country.

"Our formula is to quickly move forward and become the masters of thosefields of science and technology that are necessary to us and in which we are capable of achieving success. We must do this in the spirit of becoming the masters of that for which the country has a need." To implement this formula, we must "select advances that lead us directly to modern technology or closer to the highest achievements of science and technology"; at the same time, we "must make use of average achievements and necessary manual methods." We must overcome the unwillingness to advance directly to modern technology when conditions permit and the unwillingness to use manual methods, seeing instead only modern solutions. The need that arises here is to analyze each specific situation in detail so that we can select and utilize that which is most efficient.

On the basis of firmly adhering to the above formula, it is necessary for us to establish guidelines governing the selection of scientific and technical advances in each field: biology, mechanical engineering, electronics, energy, metallurgy, chemicals, etc. The establishment of the scientific-technical guidelines of each sector must be fully based on the potentials of the country and must provide for the appropriate use of scientific and technical advances. Efforts must focus on a number of sectors that are of decisive significance to the economy in order to quickly introduce modern technology in these sectors. For example, if the mechanical engineering sector, which is the nerve center of the economy and plays the role of equipping the other sectors of the national economy with technology, is strongly developed and achieves high technical standards, it will have an impact upon the progress of the other economic sectors. Conversely, a backward mechanical engineering sector will cause the state of technological development of the other sectors of the economy to be backward as well. Therefore, we must quickly introduce modern technology within the mechanical engineering sector.

The scientific-technical guidelines that are selected must be consistent with economic and social guidelines. The guidelines for the development of production and the development of the economy must be directed toward the objectives of output, quality, productivity and efficiency. Scientific-technical guidelines must be consistent with and insure that economic development yields the highest possible returns, both from an economic as well as a social standpoint. In other words, science and technology must, from an economic standpoint, be at the optimum level possible; the economy must be advanced from the standpoint of scientific and technical standards.

3. Understanding the relationship between science-technology and socio-economic activities: "Science and technology are not only the base, the foundation of economic and social activities, but are also an internal requirement of these activities. Economic management must incorporate scientific and technical advances in the contents and methods of planning, in leverage policies and in the various forms of organization so that the new management system applies science and technology as a direct production force."

To gain a clearer understanding of the above argument, it is necessary to be clearly aware of the following two closely related factors:

On the one hand, it is necessary to raise the scientific and technical standards of management and insure that decisions concerning investments, production, distribution, circulation and consumption are made quickly and correctly. For example, in order to make a correct decision concerning expanding the production of a certain product for exportation, such as tobacco or rubber, we need to have economic argumentation and scientific-technical argumentation, not only from the technical sciences, but the social sciences as well. Or, when deciding a wage policy, we must take into consideration the amount of wages needed to fully replenish the energies expended in labor. This decision absolutely must be based on the results of research into meals, necessary calorie intake and the needs of the laborer.

On the other hand, there is also a need to establish a management system that truly stimulates production by means of science and technology, thereby continuously improving products, economizing on materials and achieving higher productivity, quality and efficiency. Because, only on the basis of science is it possible to reach accurate decisions concerning plans, leverage policies and the system of management organizations, that is, possible to establish a management system that is capable of motivating those who participate in the production process to endeavor to achieve the highest possible efficiency.

We attach importance to science and technology, not only in economic management, but in the other areas of social life as well. Because, as the resolution of the Political Bureau pointed out: "Science and technology are an extremely strong force in socialist construction and the defense of the fatherland, a force that has made large contributions to winning victory over poverty and backwardness and advancing socialism to total victory in our country." It is necessary to simultaneously develop all three fields of science: the natural sciences, the technical sciences and the social sciences. This is an objective requirement in the development of our society. The knowledge contained within each of these three fields of science is closely interrelated. This interrelationship is based on the objective relationships among the phenomena found in nature and society. As the natural and technical sciences develop, we must accelerate research in the social sciences so that it can play the role of providing the theoretical basis for decisions concerning the positions and policies of the party and state and provide information for use in building the superstructure of the new consciousness.

4. Our country enjoys favorable conditions for intensifying the scientific-technological revolution. In addition to the system of collective ownership that has begun to be established, the socialist production relations that have been virtually established and a number of material-technical bases that have been built, we also have certain forces that can be used to carry out this revolution.

These forces are the corps of technical cadres, a corps that consists of 300,000 persons who have a college-level education, 650,000 technical cadres who have a middle school education and nearly 1 million technical workers. Our country has established a system consisting of 165 research institutes, 35 of which are devoted to research in the social sciences. We have a system of scientific and technical management agencies that extends from the central to the local levels, a system of scientific-technical organizations at basic units, such as seed units, crop protection units, veterinary units, etc.

We also have tens of millions of laborers in the countryside and the cities. They have been educated and are able to learn and apply scientific-technical achievements.

Gratifying achievements have been recorded in scientific research and the application of technology in agriculture, industry, communications, construction and basic investigations of the natural environment.

However, we are still experiencing many weaknesses and shortcomings in this area: the scientific and technical skills of cadres and the people have not been correctly evaluated or used well; many management policies and procedures do not encourage or compel everyone to apply science and technology, and there are even some cases in which the old way of operating is still being maintained; and many points in the policy concerning scientific and technical cadres are still inappropriate.

Reasons for these shortcomings can be found in our perception of the role of the scientific-technological revolution and in the knowledge of science and technology that cadres and party members have, most importantly the leaders of the various levels and sectors. However, the most important reason is the shortcomings within the economic management system and the science-technology management system.

Therefore, "the basic guideline in the improvement of the economic management system, including the management of science and technology, is to correct the shortcomings described above so that the new management system truly opens the way for science and technology to become an integral part of economic decisions and a factor of economic growth. Scientific cadres and technical cadres must be placed in the right positions, especially at basic production units and experimental research facilities. Instead of their remuneration being based mainly on their diploma or academic degree, they must be paid a salary and given awards based on the economic and social returns of their creative labor in production and everyday life. This mechanism can also be used to mobilize tens of millions of laborers to participate in the scientific-technological revolution that is taking place each day."

VII. Building the New Culture, Molding the New Man (*)

1. Our party attaches very much importance to building the new culture and molding the new man.

--This is primarily because molding the new man is the goal of socialist construction. The new system, the new economy, the new culture and the new man are the organic components of the socialism that we are building. One cannot envision socialism without the new man. Moreover, "man is our most precious asset." The happiness of man is the goal of the revolutionary cause of our party and people. Our slogan of action is: "Everything for man, everything by man." "When we talk about building socialism, about managing the economy, we must talk about man, the subject and object of management."

--The new man is not only the goal of socialist construction, but is also the person who creates the new social system. Marxism-Leninism holds that the masses are the persons who make history and produce all material and spiritual wealth. Under no other system has the creative role of the masses been as strong and broad as it is under socialism. However, this creative role can only be fulfilled when the masses are equipped with new thinking, new feelings and new knowledge. Therefore, molding the new man becomes an objective requirement of social progress. To our country, molding the new man is even more important. "In past years, the sense of being the masters of the country and the strength of patriotic Vietnamese under the leadership of the party were the factors of decisive significance in the great victories of the revolution and the wars of resistance against aggression. Today, as we advance from small to large-scale production and build socialism, the consciousness and strength of collective ownership are of even more special importance."

--Our people are building socialism with many advantages in their favor; at the same time, they also face considerable difficulties. Our country is advancing to socialism from a poor, backward economic base. National income only provides for consumption, not for the formation of capital. In addition, our people have suffered the serious consequences of several decades of continuous war and must now resist the wide-ranging war of sabotage of the Chinese reactionaries and be prepared to deal with a large-scale war of aggression launched by them. In view of these circumstances, socialist construction demands of our people a very high sense of ownership, a very large creative spirit and broad knowledge. This level of political awareness and this knowledge can only be achieved when ideological and cultural activities aimed at molding the new man are intensified.

--"The new system, the new economy determine the formation of the new culture. At the same time, the new culture is gradually building, strengthening and having a direct impact upon efforts to build the new economy and perfect the new system. As a product of the economy, culture is also a force stimulating economic development. Under certain conditions, cultural development can precede economic development and have a reciprocal impact upon the economic situation. Because, when talking about culture, we are talking first about man." "Man is the primary production force. The dynamism of man has a major impact in production and economic management." To achieve dynamism, man must learn the laws of development of nature and society, must be given knowledge of science and technology, of economic management and must possess revolutionary zeal. In summary, "economic strength cannot be separated from cultural strength and the strength of man. The strength of culture, of man must be embodied in economic strength. To separate the economy from culture and man is to not adhere to the laws of economic and social development."

In the several decades that they have been following the path of the party, our people, having been forged in revolutionary struggle and as a result of the impact of the new system, have undergone many changes. Fine traditions have been developed upon and many of the ideas and feelings of the new man have taken shape. The great victories won in the revolution and the wars of resistance are victories that were created by the Vietnamese, by persons who have the tradition of 4,000 years of history, by persons tempered in decades of revolutionary struggle. Each of us is very proud of the men and women of Vietnam. During the 10 years since the liberation of the South, our cadres, party members and people, building upon prior achievements, have made new progress in terms of their thinking and feelings, as seen in their desire to grow and be the masters of their country, their will to reunify the country, their wholehearted commitment to the socialist path, to the path of collective production and their determination to fight the new enemy and defend the nation's independence; as seen in their understanding of the lines and policies of the party and the many innovations they have made in implementing these lines and policies; as seen in their knowledge of scientific socialism, which is now more concrete, broader and more practical; as seen in their markedly improved spirit of self-reliance in resolving the problems of everyday life and production; as seen in the fact that their cultural standards and knowledge of science and technology have been significantly increased; and as seen in the experience they have begun to gain in economic management, a field in which we are weak in many respects. These advances are also gains that have been made in molding the new man and building the new culture.

While confirming that these achievements have been recorded, we can never give light attention to unwholesome phenomena in the fields of ideology and culture. That the negative phenomena in social life reflect improper attitudes toward public property, labor, the right of ownership of the masses and so forth is a matter of concern. Among some persons, revolutionary ideals have faded. Pragmatism and the passionate pursuit of money are spreading. Some persons remain seriously depraved and deviant. Some fine customs and habits in the daily lives of the people are not being maintained.

The above situation is due to many factors, such as the attack by the enemy to corrupt our people, the shortcomings in economic management, social management and so forth. However, one important reason is that we have not attached appropriate importance to and have been somewhat lax in conducting ideological and cultural activities designed to achieve the objective of molding the new man. Therefore, it is very necessary that we have a correct understanding of the position that molding the new man and building the new culture occupy.

2. The relationship between the new culture and the new man: building the new culture does not only involve developing a number of fields of literature and art or building libraries and museums. Rather, it also involves building the entire spiritual life of society in a manner consistent with the new system, with the new economy so that the laboring people are truly the ones who create, implement and enjoy genuine cultural-spiritual values. The goal of building the new culture is to mold the Vietnamese socialist. "The origin of culture is labor. The first cultural activity was labor performed by man to have an impact upon nature. Labor makes man, man makes culture. Culture is the manifestation of the close bond that exists between one person and another, the bond that enables one person to understand another, the bond that gives rise to the beautiful sentiments that man feels as he goes about his work of transforming nature, transforming society. The highest culture is the culture that places man in the position of being the master of society, the master of nature, the master of himself and puts into practice the principle 'one for all, all for one.' This is the goal of building the new culture."

The new culture that we are building is socialist in content and national in character. The socialist content of the new culture reflects the essence of the new system, the new economy and the new man, which is mainly the thinking of collective ownership. The national character of the new culture is, above everything else, the fine traditions in the culture of our forefathers embodied in the virtues, thinking, beautiful sentiments and so forth that we have incorporated and raised to a new level of development. This is not the form, but the character of the new culture. Socialist content and national character coalesce within the new culture. "In the final analysis, this socialist content and national character are one."

While building the new culture, we must develop upon the attributes of our nation, a nation that has a civilized tradition. Extensive research efforts must be devoted to bringing to light all our fine traditions in every field from culture to thinking and feelings, literature and art, military affairs and politics, both in content and form. When incorporated and developed upon, these traditions will beautify and enrich socialism. And socialism will enhance those attributes that are called the nation's very best and truly blend them with the life of Vietnam. In fact, it is only under the conditions of socialism that the nation's fine traditions, such as the consciousness of being the masters of the country, the sense of community, the spirit of optimism, the spirit of unity, love of one's fellow man, the spirit of enduring hardships and sacrifices and so forth, can be strongly developed. Of course, when building the new culture, we must also incorporate the very best attributes of world culture in order to make the spiritual life of our people richer and more beautiful.

"The socialist content and national character of the new culture must express, in ways that are profound and graphic, the thinking of collective ownership," "must raise to a new height the sense of community that is part of the nation's tradition while creating the conditions for each individual to fully develop his or her talents and intellect." "The new culture must cultivate love of the fatherland combined with the proletarian international spirit, must closely tie the destiny of the nation to the destiny of the other nations of the world in the cause of safeguarding peace, national independence and social progress. This culture is the culture of collective ownership."

In summary, the goal of the new culture is to mold the new man, a laborer who exercises collective ownership, loves labor, is rich in love for others and respects reason.

3. Below, let us examine in detail the principal traits of the new Vietnamese we are molding.

Most importantly, this is a person who loves labor. "Labor is the foremost quality of the collective owner, labor performed in a self-conscious and creative manner, performed with a high sense of creativity." In the years ahead, our party and state must find every possible way to provide everyone of work age with a job. Society requires that everyone work with enthusiasm for the sake of the interests of himself, his family, his collective and his country. Living life as a parasite and earning money by illegal means are alien to the new man. The new man is ready to work wherever required by the fatherland. The thinking of selecting places at which it is comfortable to work, avoiding places where it is hard to work, looking for every way to remain in the cities and being reluctant to go to the countryside or the mountains must be corrected. The skills of laborers must be constantly cultivated so that the work they perform is of high quality and efficient. Sloppy, careless work must be vigorously denounced. Every laborer must take pride in products of high quality, must feel saddened and ashamed when he produces products of inferior quality. Labor discipline must be maintained. Educational, administrative, organizational and economic measures must be taken to stop the theft of work time from the state and the collective. Everyone must be imbued with the argument: "From each according to his ability, to each according to his labor. This simple truth is the fundamental ethical principles of socialism."

The new Vietnamese must be a person who is filled with love. Man is the embodiment of social relations. No one lives in isolation. Everyone is a cell in the life of society. Numerous relations exist among persons: relations between parents and their children, relations between husband and wife, sibling relations, relations with friends, relatives and neighbors, class relations, relations between the individual and society, etc. Within each society, the nature of these relations is determined, to a large degree, by economic relations. In our society, now that the new system and the new economy have begun to be built and are becoming more solid and strong with each passing day, these relations must emanate a deep feeling of love between one person and another. Love for one another is a beautiful quality of the Vietnamese: "As crepe covers the vanity, so, too, must the people of a country love one another"; "gourds and melons, although different in origin, share the same arbor"; "love others as you love yourself," etc. Under the new conditions that exist, we must develop this feeling of love into "love of country-love of family-love of others-love of oneself and make this the great sentiment that creates the beauty of the people, the way of life and the culture of Vietnam." This is the love found within the relationships of the system of collective ownership. This noble feeling of love is formed and developed in many ways. However, "it is only by working and through working to build socialism that we can gradually establish beautiful relationships among persons and cause a broad and deep love to blossom."

The new Vietnamese must also be a person who respects reason and recognizes truth. That is, the new man must not only possess love, but also possess knowledge, must possess scientific knowledge accumulated by mankind in many different areas so that he can deal with problems in life, in productive labor, in interpersonal relationship. Love and reason give us the ability to resolve problems in a manner that conforms with sentiment and logic. Respect for reason is an indispensable requirement of the collective owner. Because, "to be the master of the process of building the new society, the laborer must not only be committed to this cause, but must also understand the laws of its development. We cannot upgrade small-scale production to large-scale socialist production through zeal alone. The right of ownership can only be fully implemented when man knows how to exercise ownership, possesses the ability to exercise ownership and consciously exercises this ownership."

In summary, "loving labor, being filled with love and respecting reason, these are the basic qualities that must be cultivated and perfected so that man can gradually become the master of nature, the master of himself, can approach and make his own that which is correct, good and beautiful in life. Collective ownership is the most correct, the best and the most beautiful thing that man is striving to achieve in our times."

4. To gradually mold the new man and build the new culture, we must make an impact in many areas by many different methods and by many different forces. From an overall perspective, the new man must be the combined product of the three revolutions. Together with transforming the old production relations, establishing and perfecting the new production relations and building the material-technical bases of socialism, we must intensify the cultural and ideological revolution with the aim of molding the new man.

The molding of the new man is not something that can be approached in some vague and general way. Every basic unit and every locality must adopt a specific plan for molding the new man during each specific period of time. This plan must set targets molding the new man in the following areas: consciousness, level of education, aesthetic standards, manual skills, health, etc. Of course, the thinking, feelings and knowledge encompassed in the above must be oriented toward the formation of a fully developed person whose basic qualities are: loving labor, being filled with love and respecting reason. Remnants of old thinking and bad customs must gradually be overcome. We have been formulating economic development plans with rather specific targets for many years. There is no reason not to formulate a plan with regard to molding the new man.

Ideological and cultural activities play an important role in the molding of the new man. Therefore, we must strengthen and increase the effectiveness of ideological and cultural tools by improving the political activities of party organizations and the mass organizations; expanding the verbal propaganda system and the press, radio, television and publishing networks; reforming the national education system and the education system of the party; intensifying cultural and art activities and the efforts to establish new customs and habits, establish the new way of life...

The molding of the new man cannot be carried out by educational measures alone. Along with expanding ideological and cultural activities, we must also apply administrative, organizational and economic management measures well. Man creates the management system. However, once established, this system has a reciprocal impact upon man. A correct and dynamic system will create favorable conditions for molding the new man. Bureaucratic centralism and state subsidies provide fertile ground for the thinking of relying upon others, for not taking the initiative and also give rise to many other negative phenomena. Here, I would like to once again repeat the following passage: "The mistakes in economic and social management, especially in distribution and circulation, are both an important cause of the negative phenomena in cultural and spiritual life and an important reason why these negative phenomena have become more serious. By balancing the various interests and by closely tying interests to responsibilities and obligations, the new socio-economic management system must make a strong contribution to molding the lifestyle and the new man of socialism."

X. Utilizing the Combined Strength of the Revolution (**)

1. One of the major lessons of the Vietnamese revolution is the need to utilize a combined strength. In war, the determining factor is the comparison of forces. Whichever side knows how to build large, powerful forces and utilizes these forces effectively is the victor. "In the war of resistance against France our people acquired the enormous strength needed to win victory by implementing the line on a full-scale war of resistance waged by all the people. In the resistance against the United States, by employing this combined strength on a higher level of development, our people won victory over the largest imperialist aggressor of our times."

When they invaded our country, the U.S. imperialists possessed the greatest economic and military might in the world. The gross national product of the United States at that time was 1,000 times greater than that of North Vietnam. They put an important portion of their manpower, financial resources and intellectual resources into this war: 68 percent of their infantry forces, 60 percent of their marine forces, 32 percent of their tactical aircraft and 50 percent of their strategic aircraft. They dropped 7.9 million tons of bombs on Indochina in a vain attempt to crush our people's resistance. But why was the United States defeated? It was defeated because our party created a combined strength and made highly effective use of this combined strength.

A combined strength is not something that comes about naturally. It originates first in the correct and creative revolutionary line and method of the party. This line is the line of brandishing the two banners of socialism and national independence. This method is the method of violent revolutionary force, of combining political struggle with armed struggle. These were the policies that guided us in the war. Under this correct and creative revolutionary line and method, our people mobilized and combined "the strength of our country with the strength of our times, military strength with economic and cultural strength, the strength of the military struggle with the strengths of the political struggle and the diplomatic struggle, the strength of each person with the strength of each hamlet, village, district, province and the entire country, the strength of the three elements of the military, the three strategic zones and the three aspects of the struggle." Guided by this thinking on the use of forces, it can be said that our people mobilized every force that could be mobilized: material forces and moral forces; the forces of the present and the forces of the traditions in our 4,000 year history; the forces of the nation and the forces of the times; modern forces and rudimentary forces. Modern missiles and bamboo spears, three-axle Zil trucks and crude carts, the "clothes baskets" of our fellow countrymen in the mountains, the Mig aircraft and the farmers with carrying poles on their shoulders who captured U.S. pilots...were very beautiful images that typified the coordination of modern weapons with crude weapons that helped to create this combined strength. It can be said that the use of the combined strength of our people in the resistance against the United States for national salvation reached the level of development of a science and art.

"The basis upon which a combined strength is built exists as an objective entity within things themselves. Universal relationships demand that we examine each thing in a comprehensive manner and deal with it within the relationships that it has with other things. This is a principle confirmed by the material dialectic. The revolutionary line and method of our party that have created the combined strength needed by us to win victory over all types of enemies represent the perfect application of this principle. Combining the political struggle with the armed struggle, which is the lesson that was learned in the general uprising in August 1945 and was applied and developed to a high degree in the resistance against the United States for national salvation, lies at the core of Vietnam's method of violent revolutionary force. The discovery of the two forces of struggle, the two forms of struggle and the combination of them within one entity has created an extremely large combined force. The three strategic zones, the countryside, the cities and the mountains, are objective entities of our country's revolution. The movements of the three zones were each unique in their own way but were closely interrelated. Correctly recognizing the importance of each zone, correctly recognizing the reciprocal relationship among these zones and appropriately applying the forms of political struggle and military struggle to each zone during each specific period of time created the rather strong position and forces that were ours in the resistance against the United States for national salvation, we can say this about the three aspects of struggle as well as about the three elements of the military, about offensives and uprisings, uprisings and offensives. Of importance is the fact that all of the methods of dealing with the relationships mentioned above are tied together in an organic and balanced way within a combined strategy. It is this that is the origin of the invincible strength of the Vietnamese revolution. It is this that is the science and art of the Vietnamese people's war.

2. Our country is advancing to socialism from an economy in which small-scale production predominates. The policy of our party is to utilize a combined strength at the very outset. Our party maintains that "mankind is approaching the age of collective ownership by the laboring people, an age in which history will unfold consciously, not spontaneously, an age which will demand that we resolve every problem in a manner consistent with the combined movement of laws." In other words, the essential relationships that exist in the course of society's advance must be reflected and dealt with by us in a way that is correct and comprehensive. It can be said that the general line and the line on economic construction that have been set by our party truly reflect the objective, combined relationships of our society and permit us to create a combined strength in order to successfully build socialism. Let us analyze a few points within the general line as well as the economic line in order to gain a clearer understanding of how our party has combined the laws and relationships that are controlling our country's revolution to create a combined strength.

Although it has been compressed within a concise formula, the substance of the general line is profound and encompasses all fields of society. Socialist construction in our country must create a multitude of things that are new, all of which come together in the new system, the new economy, the new culture and the new man. These new things, however, are not separate and isolated, rather, they emerge and develop within a reciprocal relationship and have an impact upon one another. The system of collective ownership is both the overriding objective of and the moving force behind socialist construction. The foundation of collective ownership is large-scale socialist production. Socialism is not only economic and political, but also entails the new culture and the new man. The new man is both the subject and the creator of the new system, the new economy. The internal relationships among these new things are organic relationships, are the internal relationships of socialism. Even each component of socialism encompasses very many different relationships to which we must give our attention. For example, "building the system of collective ownership means building a social system that combines, in a way that is balanced, the relationships among being the master of society, being the master of nature and being the master of oneself, between being the master in the field of politics and being the master of the economy, culture and society, between being the master of the entire country and being the master within each locality and basic unit and between the community and the individual."

To create the new things mentioned above, our people must perform very many jobs, must manage hundreds and thousands of relationships. All of these jobs, however, are a matter of firmly maintaining the proletarian dictatorship while simultaneously carrying out the three revolutions, the key one being the scientific-technological revolution. Each of these revolutions occupies a separate position and has its own theme. However, the three revolutions have an impact upon one another, are closely tied together within a single entity and exist as a combined law on the formation of socialism in our country. Through the analysis of the few points presented above, we clearly see that the general line of the party "reflects the combined application of the laws on the relationships between production forces and production relations, between the economic base and the superstructure, among the economy, culture and society..."

When setting its economic line, our party analyzed our country's social situation and defined the relationships that are most basic: the relationship between industry and agriculture; the relationship between the central economy and the local economy; the relationship between the development of production forces and the transformation of the old production relations and the establishment of the new; the relationship between the domestic economy and the overseas economy; and the relationship between the economy and national defense. These are the most basic relationships that exist in the process of the development of our country's economy. Recognizing and bringing these relationships to light and adopting correct ways to apply each relationship and tie all these relationships together within a single entity, this is the basis upon which a combined strength in economic development is created. "The economy, especially in the process of advancing from small-scale production to large-scale, socialist production, moves in accordance with combined laws. If we do not adhere to and apply these laws when managing the entire economy or when resolving each specific problem, we will surely find ourselves facing contradictions and imbalances, even disorganization, which will impede the development of the economy and development in the other fields of social activity. Therefore, each sector, level, locality and basic unit must, on the basis of its actual situation, combine and apply the general line and the economic line to resolve economic problems and other problems in a way that is well coordinated and achieve a combined strength with which to advance our revolutionary cause in a dynamic and flexible manner."

3. In the changes and improvements that we have made to the economic management system over the past several years, we have, as a result of thoroughly understanding the view on utilizing a combined strength, gained some experience in developing each existing capability and each potential within the economy and making better use of our labor, arable land, natural resources and existing material-technical bases.

Building upon this combined strength in economic management requires that we know how to make good use of the various segments of the economy, with the state-operated segment playing the central role, and mobilize each source of capital and technical experience in order to create large production capacity within every locality as well as nationwide.

We must know how to tap all four sources of capabilities in planning socio-economic development within each basic unit, each locality and each economic sector, thus helping to resolve the difficulties being experienced with raw materials, supplies, equipment and so forth in production today.

We must strongly develop cooperative relations, joint businesses and economic ties between the basic units of the central and local levels that are located within the same area, among localities, between industry and agriculture and among the different segments of the economy, with the state-operated economy successfully playing the dominant role. We must promote the establishment of ties between raw material production units and the processing industry. However, there must be balance among the interests of raw material producers, processing units and the formation of capital for the state, with appropriate attention given to the interests of the basic units that produce raw materials.

Utilizing a combined strength also requires that we give full attention to applying the relationships that exist between the domestic economy and the overseas economy and know how to tap each strength of the tropical agricultural and abundant labor of our country to produce an increasingly large volume of exports and create the conditions for importing the materials, equipment and machinery needed to meet the needs of the country's socio-economic development.

In economic management, utilizing a combined strength demands that we do a better job of implementing the guidelines "the state and the people working together" and "the state-operated sector, collectives and families working together" so that we can, with the limited liquid capital and materials we have, still build many more projects more rapidly, produce much more wealth for society and help reduce the difficulties being encountered in everyday life. Recent experience has shown that we can, by taking this approach, build water conservancy projects and hydroelectric power plants, plant forests, harvest and repair forests, clear land and build new economic zones and plant perennial industrial crops better. We can solve the problems of housing, education and health care better and, to some extent, can also contribute to the construction of such major projects as the Tri An Hydroelectric Power Plant, the Dau Tieng Water Conservancy Project, etc.

Of utmost, primary importance in achieving a combined strength in economic management is the need to have all three levels exercise collective ownership together. The exercise of collective ownership on each level creates the strength of each level. With the exercise of ownership by the three fundamental levels together, the strength of each level will become a combined strength and this strength will be many times greater compared to the exercise of ownership by each individual level.

[August 1985, pp 4-11]

[Text] VIII. Meeting the Needs of Everyday Life, Accumulating Capital for Industrialization and Maintaining National Defense and Security

1) To begin with, the book analyzes the objective character of three needs and the relationship among them.

When public ownership of the means of production is established and the system of mastery begins to be built, the purpose of production changes. The aim of production then becomes meeting the material and cultural needs of the laboring people more fully with each passing day. Constantly raising the standard of living is the requirement of the fundamental economic law of socialism.

To achieve this goal, production must constantly be developed on the basis of increasingly modern technology. To accomplish this, we must accumulate capital so that we can carry out industrialization and build the material-technical bases of socialism. Therefore, accumulating capital for industrialization also becomes an objective necessity.

As long as imperialism and expansionism still exist, every socialist country, in conjunction with national construction, absolutely must meet national defense and security needs in order to defend the fatherland. Our country is building socialism in the face of an external enemy who has not abandoned their aggressive designs and continues to commit sabotage and threaten war. Therefore, meeting national defense needs is a matter of constant and urgent importance.

In summary, "raising the standard of living, accumulating capital for national construction and meeting national defense and security requirements, these are the three objective, essential needs that each economic and social plan must take into consideration. In every stage of the revolution and every period of history, an order of priority can be established on the basis of the specific situation for satisfactorily meeting these needs. However, it would be a mistake to place sole emphasis upon one particular need and thus give light attention to or ignore the other needs."

An organic relationship exists among the three needs mentioned above. "The stability of the country lies mainly in the people being well fed and living a wholesome life. However, if we consume all we produce, if we do not tighten our belts in order to accumulate capital, if we do not carry out industrialization, we cannot build socialism and will, in the end, fail to raise the standard of living. And, there will be no socialism if our national independence is not maintained or if we only emphasize satisfying the material and cultural needs of the people but give light attention to and reduce the importance of meeting national defense and security needs."

Our country is in the initial stage of the period of transition. Meeting these three needs at the same time is not easy. But "practice has shown that we can and definitely must meet all three of these needs simultaneously." By which methods and measures this is to be done, this is the question that the book addresses. We must study these methods and measures in detail.

2) As mentioned above, meeting the material and cultural needs of the people is the requirement of the fundamental economic law of socialism. The circumstances under which we are meeting this requirement are these: material-technical bases are still weak; our people have had to endure the consequences of several decades of war and now must resist the schemes and acts of sabotage and aggression of the enemy; and many difficulties are being experienced in everyday life.

The 5th Party Congress set the target of stabilizing and eventually improving the standard of living. Meeting this target means meeting the requirement of the fundamental economic law; at the same time, it unleashes forces that stimulate the development of production.

In keeping with this spirit, we have stepped up production in recent years. As a result, whereas we once lived largely on foreign aid, domestic consumption is now based on national income. During the past 10 years, the population has risen by 12 million. However, the per capita production of grain and several consumer goods has still increased. The standard of living of the vast majority of farmers has been stabilized and somewhat improved. Generally speaking, however, our people's standard of living remains low. We have also committed shortcomings in circulation and distribution. Wage earners are experiencing many difficulties in their daily lives. Irrational disparities in income exist among some strata of the population. The 7th Plenum of the Central Committee stated that we must consider stabilizing and partially improving the standard of living, most importantly that of the people living in areas stricken by natural disasters and our fellow countrymen in the border provinces and highland areas and significantly improving the standard of living of the armed forces, manual workers and civil servants to be a pressing need.

The needs of everyday life are many. However, we must meet the need for food and essential consumer goods first. How are we to meet these needs? With regard to food, the 5th Congress of the Party pointed out that we must make efforts to provide a full supply of grain, vegetables, beans and soysauce and increase the supply of sugar, fish, meat and eggs. During the past several years, advances have been made in grain production. We produced 268 kilograms of grain per capita in 1980 and nearly 300 kilograms in 1984. However, there is still a shortage of grain. In 1985, we must try to increase grain output by 8.5 percent. At the same time, we must supply additional consumer goods, especially essential goods. Few consumer goods are being produced, supply does not meet demand and the quality of these goods has declined somewhat. We have not regulated the supply of goods well. Some places have received too many goods, others too few. Many consumer goods factories are operating at a low level of capacity. If we resolve the problems of raw materials and energy well, improve our management and organize transportation well, we can meet the needs of the people for consumer goods better.

While addressing those problems that relate to the standard of living, we must respect and correctly implement the principle of distribution in accordance with labor; regulate the irrational incomes of some strata of the population; and eliminate the practice of egalitarianism and the maladies of state subsidies, administrative management and bureaucratic centralism in distribution. Every locality, unit and person that performs better work and is more productive and efficient must earn a higher income and have a better life. Under socialism, there are still persons who perform good work and persons who do not. There are still differences in levels of education and specialization. There are still different living and working conditions. That is, absolute equality does not yet exist. However, this is no reason not to correctly implement the principle of distribution in accordance with labor. Egalitarianism is alien to Marxism-Leninism. We must acknowledge the diversity of life. Along with implementing the principle of distribution in accordance with labor, "we must attach full importance to continuously improving the social welfare and collective welfare to which each laborer and their children are equally entitled. Providing these types of welfare in a way that is reasonable in conjunction with carrying out distribution in accordance with labor will create a strong moving force."

In the present situation, in order to meet the everyday needs of the people, we must, together with stepping up production and being the masters of production, also be the masters on the distribution-circulation front. Recently, production has developed. However, because we have not been the masters of the market, have not controlled goods or money well, we have allowed the living standards of the laboring people, especially wage earners, to be affected.

3) The improvement of the standard of living depends upon whether or not production is developed on the basis of increasingly modern technology. In other words, it is dependent upon socialist industrialization, the central task throughout the period of transition. Industry demands a considerable amount of capital. An iron and steel mill that produces a few million tons per year costs several billion dollars, the equivalent of the price of 15 million tons of paddy, which is the amount our entire country produces in 1 year. We must build not only smelting plants, but also energy facilities, heavy machine works, chemical plants, etc. Therefore, together with improving the standard of living, we must look for every way to accumulate capital for socialist industrialization. We can rely upon the Soviet Union and the fraternal countries for some equipment. However, this requires that our economy generate a corresponding amount of capital. We can also expand the various forms of joint businesses and cooperation to attract foreign capital, as we are doing in our joint ventures in petroleum-natural gas and rubber production with the Soviet Union. However, it must be recognized that foreign

sources of capital, although very important, cannot take the place of domestic sources. We must, therefore, mobilize each source of capital that can be mobilized. Attention must be given to the fact that the formation of capital during the past several years has not been normal. The rate at which we have been accumulating capital through the use of national income has been gradually declining, standing in 1984 at only two-thirds of what it was in 1976.

The approach that must be taken to accumulate capital is to combine our labor with our land, forests, offshore waters, sectors and trades, make full use of the material bases that exist now or will be built, step up production, raise labor productivity, make every effort to practice frugality, reduce production costs and increase our exports and imports. We have available labor and land. If, in the next 10 years, we achieve the levels of 500,000 to 600,000 hectares of rubber, 200,000 hectares of coffee, 150,000 hectares of tea, 100,000 hectares of tobacco, 150,000 hectares of peanuts and so forth and begin producing a rather large number of agricultural products, this will also provide us with an important source of capital. To accumulate capital, we must practice frugality. In 1984, hog production rose to 12 million hogs. In 1985, 14 million hogs will be produced. Can we allocate 500,000 of these hogs for exportation? Accumulating capital for the construction of material-technical bases is not just the work of the individual cooperative, enterprise, state farm, forestry site or locality. The concept of accumulating capital must be deeply ingrained in the consciousness of each laborer, must be expressed in the actions taken by everyone in production and consumption.

Once we have acquired capital, it then becomes important how we use this capital. Each dong in capital must be used well and yield high returns. This requires that we adopt correct investment plans, focus our investments on key projects and combine investments in intensive development with investments in expansion. This is not only the work of agencies on the central level, but also the work of each basic unit and enterprise.

4) "Improving the standard of living is the key element in the fundamental economic law of socialism. Maintaining the national defense and security of the country is also a law of revolutionary struggle in the present world situation. Viewed from the standpoint of the purpose of each, these two types of laws are not mutually exclusive. Rather, if applied correctly, the direction in which each type has an impact is the same. The strength of the national defense system is the combined strength of the economy, politics and military forces. Combining the economy with the national defense system and the national defense system with the economy means building the economy and the national defense system within a rational structure, one which insures that the economy is strong enough to support national defense needs and the national defense system is strong enough to protect the economy and provide the security needed for economic development. We must make sure that the country, while focusing its efforts on economic construction, is still in a high state of combat readiness, is ready to achieve the largest possible combined strength in a war to defend the fatherland when the enemy launches a war of aggression."

Under the above guideline of combining the economy with the national defense system, there are many jobs that we must perform.

We must accelerate the building of the economy in order to meet the needs we face concerning the standard of living, the formation of capital and national defense and security. We must build the national defense industry, provide for local rear service support and establish a solid rear area for the people's war.

We must make all three elements of the armed forces solid and strong. Every sector, level and basic unit must correctly assess and be aware of all the schemes and acts of sabotage of the enemy, especially on the economic front; must be determined to take effective measures to thwart and combat the enemy's efforts in this war of sabotage; and must implement a plan to provide security for production, for enterprises and worksites, for machinery, supplies and materials.

We have a number of national defense factories. These factories must be utilized in an efficient way to produce both means of production and consumer goods, especially high technology products.

Regardless of where they are stationed, troop units, with the exception of those that are directly engaged in combat, can raise crops and livestock to improve their standard of living on their own or can carry out projects under the state plan, such as planting forests or building water conservancy projects, roads and housing. Troop units specializing in economic work can undertake larger projects.

In summary, "combining the economy with the national defense system and the national defense system with the economy is something that must be done on a nationwide scale as well as within each zone, each province, district, village and subward. It is a theme that must pervade everything, from the arrangement of the economic-national defense structure and the distribution of the labor force to the formulation of specific production plans as well as plans on preparations for combat, the organizing of local rear services and the implementation of the policy on troops performing economic work and economic units producing national defense goods, the people's security policy, the army's rear area policies, etc."

Part 3: The Significance of the Work "Adhering to Laws in Making Changes and Improvements to Economic Management" in Guiding Our Efforts To Build the New Management System

As mentioned above, "Adhering to Laws in Making Changes and Improvements to Economic Management" is a work of major importance. It presents the factors that are in the nature of laws of the socialist revolution in Vietnam. It summarizes the experiences that have been gained in socialist construction within our country over the past several decades. It addresses basic, long-range problems while presenting guidelines for resolving immediate problems. It represents the creative development and application of Marxism-Leninism, especially the doctrine of scientific socialism, to the conditions of our country. The significance of this work is that it serves to guide our efforts in all fields of politics, economics, culture and society, that is, the whole of socialist construction, especially economic construction.

At present, leading the economy is the most important task of the party. To lead the economy, our party must perform many jobs. First, it must discover those factors that are in the nature of laws of the socialist revolution in our country and set a general line to guide socialist construction. This is the premise, the prerequisite for leading the economy. Secondly, it must formulate an economic line, which mainly sets guidelines for building an economic structure that is consistent with our country's economic situation. Thirdly, it must adopt an economic strategy and lead the formulation of 5-year and yearly economic plans on the basis of this strategy. Fourthly, it must lead the effort to build a socialist economic management system that is dynamic and flexible. Fifthly, it must lead the organizing of implementation, carry out cadre work, conduct inspections and launch revolutionary movements of the masses to turn the decisions of the party and state into reality.

It can be said that "Adhering to Laws in Making Changes and Improvements to Economic Management" is an effective weapon of our party in its leadership of the economy. In addition to the general line, which is presented in deep detail throughout the work, Le Duan also presents the matters that relate to building the economic structure and economic management system, especially views on the formulation of economic leverage policies, and building the political mechanism to regulate all activities of our society as well as economic activity. Thus, this work directly addresses the issues involved in economic leadership.

Below, let us delve into the significance of this work in guiding our efforts to improve the management of the economy. The economic management system, as conceived by a number of economists, is the combination of various economic forms designed to encourage all forces participating in the production process to apply their efforts and talents to achieving pre-determined economic objectives. The main elements of the economic management system are: planning, leverage policies and the various forms of management organization. For many years, due to many different reasons, we have been applying a management system characterized largely by bureaucratic centralism, administrative management and state subsidies. This system has restricted the development of production and caused many difficulties and negative phenomena within the economy and in everyday life. To dismantle bureaucratic centralism, administrative management and state subsidies and establish a new management system that is compatible with our country's conditions, there is much that we must do: review the work that has already been performed, analyze the innovative experiences of the masses, examine the experiences of the fraternal countries... However, to do these things effectively, we must have guidelines. "Adhering to Laws in Making Changes and Improvements to Economic Management" provides us with these guidelines. They are in the form of the matters concerning the line, in the form of the factors that are in the nature of laws of socialist construction that are presented within this work. It is only on the basis of the party's line, on the basis of these factors that are in the nature of laws that the management system can retain its socialist character, discover forces that stimulate economic activities and, of importance, establish correct objectives to support.

Let us review those 10 factors that are in the nature of laws and analyze a few of their aspects to show how the matters concerning the line on improving economic management addressed in this work serve to guide us.

Viewed from the perspective of management, the factor that is the laboring people exercising collective ownership and simultaneously carrying out the three revolutions is considered the most important principle of economic management in our country. The economic management system must not only have the objective of strengthening the people's right of ownership, but must also, on the basis of this right, discover forces that move the economy and thoroughly apply them in forms of economic activity and economic policies. These forces, as the work states, are the initiative of basic units, localities and the three levels exercising ownership together; are forms that combine ownership by the community with ownership by the individual; are approaches that combine and balance the three different economic interests, etc. The dynamism that we have seen in economic activities and production in recent years has stemmed mainly from a thorough adherence to the view on collective ownership in economic management.

The industrial-agricultural economic structure is the foundation of the system of collective ownership. An organic relationship exists between the economic structure and the economic management system. The economic structure determines the economic management system. The economic management system must support the building of the new economic structure. Le Duan points out: the focus of efforts to change and improve the economic management system must be the important elements of and the weaknesses within the economic structure. The resolution of the 6th Plenum of the Central Committee, which resolved a number of problems related to the improvement of management at basic production units, circulation-distribution and the organization of management, clearly expressed this view.

Planning being closely tied to economic accounting and socialist business practices is both a factor that is in the nature of a law of socialist construction in our country and the most important element of the economic management system. In this work, the author presents many important arguments: the view of our party concerning the elements of planning; the three levels formulating their own plans; the plan as the strongest lever within the system of levers; the plan not only as something that is legally binding, but also as something that provides a large degree of incentive and encouragement to production units, localities and laborers; and the indispensable need for planning to be closely tied to economic accounting and socialist business practices in order to accomplish the above.

Distribution-circulation is both our most critical front and a field in which our shortcomings are many. Distribution and circulation also pose the most difficult and complex problems in the building of the new management system within our country today. Concerning this field, the book discusses basic viewpoints as well as specific guidelines for resolving the problems concerning the market, prices, wages and finances. A thorough understanding of these viewpoints provides us with the basis needed to formulate good leverage policies.

Expanding our economic relations with foreign countries and increasing our exports and imports are matters of strategic importance. To accomplish these aims, it is of pressing importance that we improve the export-import mechanism. The book points out: "The export-import mechanism must be flexible. It must uphold the principle of the state's monopoly in foreign trade and foreign exchange while creating the conditions for large units, localities and sectors to establish direct contact with the foreign market and encouraging exports to the highest degree possible."

Building the new culture and molding the new man are also directly related to economic management. Because, man is both the subject and object of management. We must mold persons in a way that enables them to become the best possible collective masters of the management process. At the same time, we must realize that a suitable management system will make positive contributions in molding the new man. Conversely, as the book points out, a management system that is not suitable will give rise to many negative phenomena: "The mistakes that have been made in economic and social management, especially in distribution and circulation, are an important cause of the negative phenomena in cultural and spiritual life and an important reason why these phenomena have become more serious."

Meeting the needs of everyday life, accumulating capital for industrialization and maintaining security and national defense place high demands upon us in economic management. The difficulty we face is that all three of these needs are objective in nature and must be met. We not only must but can simultaneously meet these three needs in a way that is rational. The problem we face is that these three needs must be taken into consideration when making any management decision. At the same time, research must be conducted to determine which kind of mechanism need be applied to effectively implement this decision.

"The party leads, the people exercise ownership and the state manages" is the political mechanism of our society. This mechanism regulates all activities of society, including economic activity. When building the economic management system, we must do so on the basis of this political mechanism. For example, the book states an important principle in the organization of the state: "To control the economy, the state must establish a suitable organizational structure, one which insures that the state is both an administrative and economic management apparatus and a production and business management apparatus. Administrative-economic management and production-business management are the two closely interrelated aspects of economic management. However, one should not be confused with the other. To provide good economic management, the state must combined these two aspects of management. The state apparatus and the economic management apparatus must be one apparatus with two types of organizations: administrative-economic organizations, from the Council of Ministers and the ministries to the committees on the various levels, and production and business management organizations at enterprises, federations of enterprises, corporations, etc."

When applied in the field of economic construction, the lesson of utilizing the combined force of the revolution, a lesson we learned in our country's national democratic revolution, becomes an important principle of economic management.

Thus, Le Duan directly discusses economic management in his analysis of practically all of those factors that are in the nature of laws of the socialist revolution in our country. It is not surprising, therefore, that when this book was republished, it was given the title "Adhering to Laws in Making Changes and Improvements to Economic Management."

From the profound discussion of the issue of improving economic management presented in this work, we can draw the important principles of our country's economic management system. They are: collective ownership being the view that pervades economic management; planning being closely tied to economic accounting and socialist business practices; democratic centralism; the use of a combined strength, etc.

In summary, when dealing with economic issues, in general, and the economic management system, in particular, it is necessary to always adhere to the views and lines of the party, to those factors that are in the nature of laws of the socialist revolution in our country. Le Duan states: "If we do not recognize those factors that are in the nature of general laws, if we do not fully comprehend the basic thinking set forth within the line, we cannot make correct decisions concerning economic management." Although this is a simple truth, it can be said that not everyone recognizes or applies it in economic activities. In the final analysis, more than a few shortcomings and mistakes in economic management stem from departing from the line. Not adhering to the line, not adhering to laws mean that we do not know how to use the important tool of methodology, of economic thinking in dealing with economic management problems. Le Duan points out: "We cannot successfully manage an economy that is in the period of transition if we only copy international experience or seek instructions in the works of classical authors and do not reach out on our own and grasp the most effective weapon of our times--the methodology of dialectical materialism and historical materialism. The party must equip cadres and party members with deep knowledge of theory and practice and establish within the corps of leadership and management cadres correct economic thinking, that is, the thinking of adhering to and correctly applying economic laws and, more importantly, the general laws of the socialist revolution."

FOOTNOTES

1. K. Marx: "Das Kapital," Book I, Volume I, Su That Publishing House, 1973, pp 43-44.

2. K. Marx and F.Engels: "Collected Works," Su That Publishing House, Hanoi, 1983, Volume II, p 126.

* Parts V and VI not presented.

** Parts VIII and X will be published next.

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LABOR

HA NAM NINH LABOR SECTOR REVIEWS ACHIEVEMENTS

Nam Dinh HA NAM NINH in Vietnamese 17 Dec 85 pp 3, 4

[Article by Le Duc Toan, Director of the Ha Nam Ninh Labor Service: "A Glorious Stretch of Road"]

[Text] Our province has Nam Dinh, a large industrial city. There are up to 12,000 textile workers alone. Therefore, immediately following the August Revolution, an urgent task of the provisional revolutionary government was to organize the labor apparatus in order to mobilize, guide and organize the workers in the struggle against capitalism, to ensure the legitimate rights of the laboring people and to restore and develop production in support of the revolution. In October 1945, the Nam Dinh Municipal Labor Service was formed. It was one of the labor agencies promptly formed throughout the country. At that time, the Service had only five cadres with Tran Mao as the Service Chief. Although they had patriotism and revolutionary enthusiasm, their professional standards were limited. Even so, the work of the labor sector at that time returned confidence to the workers and laboring people.

The labor cadre ranks of our province have now grown a great deal. The entire province has more than 500 cadres responsible for an organization that extends from the provincial down to the basic level. The majority have received advanced professional and advanced labor specialist training, and many have long seniority in the sector with much experience. Of the cadres within the Service office alone, 37 percent have a middle school education, 28 percent have attended college and 2 percent have achieved higher levels.

The function of the sector is to manage social labor in the local area with an increasingly greater responsibility of serving as a staff for the people's committee in managing and unifying labor, effectively achieving the positions, policies and systems of the party and state on the organization and management of social labor, and implementing the unified regulation of social labor in accordance with the plan. It may be stated that wherever there are laborers, the labor sector is responsible there for the training and exploition of this "most precious asset," and for drawing them into production and work with the greatest productivity and efficiency.

Through 40 years of construction and growth, the sector has made significant achievements:

--First of all, achieving the gradual allocation and use of social labor, an important contribution in the maintenance and development of production, in the stabilization of life, and in good combat support.

In conjunction with related sectors, the sector mobilized tens of thousands of youths to join the army and the assault youths for combat support and combat, assisting along with the entire country to defeat aggressors and protect the fatherland.

During a period of 30 years (1954-1985), our province has mobilized 175 million obligation man-days; and enlisted 390,000 laborers in state agencies and enterprises. Typical examples were the labor and corvee labor recruiting drives in support of the Ha Nam Ninh campaign (also called the Quang Trung campaign), the Dien Bien Phu campaign, and the northern frontier.

The labor sector plays an important role in providing employment for the laborer. During 1954 in Nam Dinh City, tens of thousands of people were without jobs but by 1960, unemployment had been basically eliminated. During the past few years, work has been gradually arranged for those still without jobs in the city.

In labor and population redistribution, our province during the past 25 years has sent nearly 160,000 laborers to build new homes within and outside the province, initially creating a warm and full life for those leaving and alleviating difficulties within the heavily populated regions.

Labor reallocation within the area of each district has been strongly promoted, serving as a basis for achieving the strategic mission of fully and effectively using the labor, land, resources and trades of the local area.

A new direction has opened during the past few years, that of international labor cooperation. During a period of 5 years (1981-1985), our province has sent nearly 2,500 people to work in the Soviet Union, the German Democratic Republic, Czechoslovakia and Bulgaria. The recruiting has been firmly organized, properly ensuring principles, procedures and policies.

--Labor organization and norms have had strengthened achievement supervision in conjunction with a process of enterprise management improvement. Since 1974, the entire province has formulated and applied 36,000 labor norms, including nearly 7,000 with a technical basis, serving as a basis for expanding and strengthening the system of piecework wages, contract wages and cash awards. Composite labor norms and simplified contract forms have been strengthened to produce enthusiastic results.

Implementing the Resolution of the 8th Plenum of the Party Central Committee, the sector is actively supervising salary improvement, competently assisting in elimination of the bureaucratic and state subsidization mechanism within the distribution field:

--Technical inspection of labor safety and protection in basic level industrial and agricultural units has received sector concern and guidance. Safety systems and standards have been promptly disseminated. The sector has also inspected and urged strict handling and disposition of accidents. Thanks to that, working conditions have been gradually improved and accidents on the job have gradually declined.

At the same time, the sector also regularly inspects achievement of policies and systems on wage labor within the various sectors and echelons, resolving with reason and feeling all disputes and accusations, and protecting the interests and systems of the laborer.

Generally speaking, the Ha Nam Ninh labor sector has maintained close contact with the strategic missions of the various revolutionary periods, regularly answering the labor requirements of combat support and production while simultaneously and properly achieving wage labor policies concerning the laborer.

Of course, the sector has also been unable to avoid a number of shortcomings, most of all in not yet organizing and using the labor force in a truly proper manner with great waste still existing, and not yet strongly supervising the management and organization of labor within the fields of agriculture and small industry and handicrafts.

For the accomplishments made, the state in 1978 awarded the sector the Labor Order Third Class; and in 1979, Hai Hau District was also awarded the Labor Order Third Class for labor work. This year, there was glory for the entire sector when it was awarded the Labor Order Second Class by the state and 125 cadres working in the sector for 15 years and up received commendations from the Ministry of Labor on the 40th anniversary of the founding of the sector.

Looking back to see the rapid growth of the sector and with pride for this historic and glorious stretch of road, each cadre and member of the labor sector vows to strive for achievement of the basic objective of labor work, to unceasingly raise and standardize labor organization and management to be constantly consistent with the requirements of economic development during each period, and to assist in making ours a progressive and rich province.

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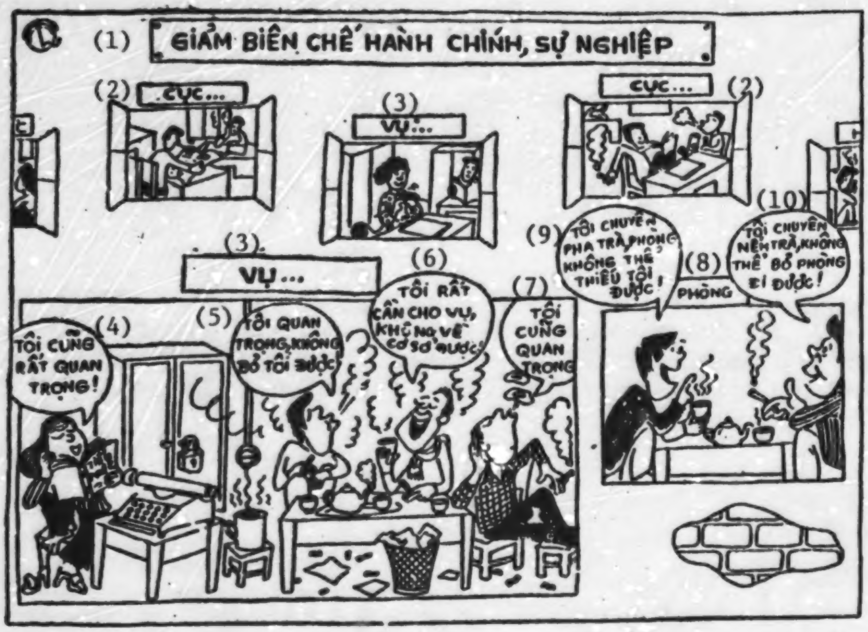
LABOR

OVERSTAFFED GOVERNMENT OFFICES CRITICIZED

Hanoi NHAN DAN in Vietnamese 10 Jan 86 p 2

[Cartoon]


(1) GIẢM BIÊN CHẾ HÀNH CHÍNH, SỰ NGHIỆP
(2) CỤC...
(3) VỤ...
CỤC... (2)
(3) VỤ...
(4) TÔI CŨNG RẤT QUAN TRỌNG!
(5) TÔI QUAN TRỌNG, KHÔNG BỎ TÔI ĐƯỢC
(6) TÔI RẤT CẦN CHO VỤ, KHÔNG VỀ CƠ SỞ ĐƯỢC!
(7) TÔI CŨNG QUAN TRỌNG
(9) TÔI CHUYÊN PHA TRÀ, PHÒNG KHÔNG THỂ THIẾU TÔI ĐƯỢC!
(8) PHÒNG
(10) TÔI CHUYÊN NẾM TRÀ, KHÔNG THỂ BỎ PHÒNG ĐI ĐƯỢC!

Tranh: **TRĂN QUYẾT THĂNG**

Key:

1. [Slogan] Reduce Administrative Staff
2. Line Bureau
3. Staff Bureau
4. I, too, am very important [as she reads her novel]
5. I am important. They couldn't get rid of me!
6. I'm really essential to the department so it is impossible for me to return to my grass-roots job.
7. I, too, am important.
8. Bureau
9. I am a specialist in preparing tea. The bureau couldn't do without me.
10. I am a specialist in drinking tea so I can't leave the bureau.

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CSO: 4209/359

DISCHARGED SOLDIERS RECEIVE INTERIM SALARIES

Hanoi TIEN PHONG in Vietnamese 21-27 Jan 86 p 2

['Readers Need to Know' column: "Temporary Salary Assignment for Discharged Military Personnel (Ministry of Labor Extract 1105/LDTL)"]

[Text] To ensure the standard of living of discharged military personnel who are eligible for the system of reassignment during a period of 18 months, and to maintain their full salary or living expenses while working in agencies and enterprises or studying in training schools, the Ministry of Labor provides guidance in temporary salary assignment during those 18 months as follows:

A. Salary Transfer:

Officers and military specialists are permitted to shift from the salary level of their old rank to that of a new army rank. Seniority allowances will be calculated in accordance with their new salary.

Non-commissioned officers and soldiers will be temporarily assigned a monthly salary level of 250 dong.

B. Different Types of Allowances:

Allowances such as: region price difference allowances, area allowances, and various types of other allowances (if applicable) will be calculated for the new salary level defined in accordance with Point A.

C. Reassignment Subsidies:

Following the 18-month period, the salary level will be readjusted in accordance with the assigned job (Point 9, Protocol 235/HDBT 18 September 1985 of the Council of Ministers).

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CSO: 4209/318

HEALTH, EDUCATION AND WELFARE

TEMPORARY SCHOLARSHIP GUIDELINES EXPLAINED

Hanoi TIEN PHONG in Vietnamese 21-27 Jan 86 p 2

['Readers Need To Know' column: "Temporary Grants of Scholarships and Subsistence for Students of Training Schools During First Quarter of 1986"]

[Text] Due to negligence by the agency providing the information, the "Readers Need To Know" column in the January 1986 issue of TIEN PHONG was in error. We sincerely beg the readers' pardon and wish to publish the original text of the Official Telegram of the Ministry of Finance as follows:

Official Telegram 1/HCVX 3 January 1986 of the Ministry of Finance:

After discussions with the Ministry of Higher and Vocational Education and receiving an opinion from the Chairman of the Council of Ministers, while waiting for an official scholarship system, temporary grants of scholarships and subsistence to students of training schools during the first quarter of 1986 will be as follows:

1. Temporarily grant scholarships at a level of 110 dong per month (plus additional high-cost subsidies) to the following recipients:
   -Students receiving unified living expenses.
   -Students classified as wounded veterans.
   -Students who are children of dead heroes.

   -Ethnic minority students.

   -Students who are children of category 1 and 2 wounded and sick veterans.

   -Students who are orphans without a father or mother.
   -Students of trade sector schools: underground mining, underground geology and diving; and students majoring in acrobatics, dancing, air instruments, traditional theater, singing, and sports and physical education.

2. Cadres and soldiers attending school who receive living expenses as a percentage of their salary will receive living expenses in accordance with the current system.

3. Students other than the two classes above:

a. Any student with proof of a difficult family economic environment will be temporarily granted a monthly scholarship of 55 dong (plus an additional high-cost subsisidy). Those with a difficult family environment but who are of the excellent student type (advanced and outstanding) will be granted a monthly scholarship of 110 dong (plus an additional high-cost subsidy).

b. Students not yet able to obtain certification of a difficult family economic environment but who presently have insuffecent subsistence funds will be temporarily granted a monthly scholarship of 100 dong (plus a high-cost subsidy). After the approaching lunar new year holiday, students must obtain certification of a difficult family economic environment before they are issued a scholarship at the level recorded in Article a.

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POPULATION, CUSTOMS AND CULTURE

TRUC THANG PROMOTES NEW ECONOMIC ZONE RESETTLEMENT

Nam Dinh HA NAM NINH in Vietnamese 17 Dec 85 pp 3, 4

[Article by Doan Vuong: "Truc Thang Through More Than 20 Years of Population, Labor Redistribution--New Economic Zone Construction"]

[Text] Truc Thang is a heavily populated village but the average area of farm land per capita is too low (about 1.4 sao). The labor force within the cooperative is abundant but it has not been thoroughly exploited. Therefore, labor rearrangement to ensure a balance with the land and consistent sector deployment and development to facilitate progress are not only a requirement in the process of production reorganization within the entire nation but also an urgent demand of Truc Thang.

With a thorough and profound understanding of the resolutions of the party on labor and population redistribution and opening and constructing new economic zones, Truc Thang for the past several years has resolutely and actively developed and created a material change by increasingly developing the movement to mobilize people within the village for departure to build new economic zones and has initially achieved enthusiastic results.

During more than the past 20 years, Truc Thang has sent nearly 2,500 people to build new homes in provinces on the northern border and in the Central Highlands. The number who have departed is almost equal to the present population of the entire village. Thanks to that, Truc Thang for the past several years has had a constant stable population with maintenance of the average land level. For the past few years, the expansion of labor redistribution within the entire country and the mobilization rate have been strongly and urgently developed with new attraction, creating an impetus propelling the movement upward.

During the 1981-1985 5-year plan alone, Truc Thang dispatched 250 families with nearly 1,250 members, including 500 laborers, to new land areas. More than 35 cadres and party members voluntarily accompanied the settlers. An annual average of 200 to 250 people have gone.

People departing during the past several years have left behind more than 350 mau of farm and residential land, removing not a few difficulties for Truc Thang in providing food, clothing and other subsistence needs and in further increasing the village's ability to contribute to the state. Not only that, the movement has also created for Truc Thang favorable factors and new directions in production redeployment and rearrangement.

With deep understanding and affection for those who have departed, Truc Thang has invested 350 tons of paddy, 4.5 tons of pork on the hoof and breeder hogs, thousands of agricultural implements of all kinds, and more than 500,000 dong in this great campaign. This love and integrity has given those departing the additional peace of mind and strength to hold fast and make a living in their new area.

People from Truc Thang have arrived to settle in new land areas of Ha Tuyen, Hoang Lien Son (Minh Hai), Gia Lai-Kom Tum, Dac Lac and Lam Dong. Endowed with labor diligence, the people have cleared and placed in production 485 hectares of virgin land (nearly double the farmland of Truc Thang at the present time). They also annually harvest a large volume of grain, food and other agricultural products to stabilize life, develop production and contribute to the state. The families of Tran Van Hang, Hoang Trong Anh, Tran Van Canh and Vu Van Thanh in the new land areas annually harvest an average of 3.7 to 4.2 tons of paddy, and 2 to 2.5 tons of corn, potatoes and manioc, send to market more than 3 quintals of pork, live weight, and raise one to three buffaloes and cattle. Many other families also have similiar yields.

The results above are a basis for further affirming the great potential of the new land areas and confirming the firm stand and many expectations for progress of the people of Truc Thang in their new homes, and have a strong beckoning appeal for them during the warm and friendly period of their departure.

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POPULATION, CUSTOMS AND CULTURE

NAM NINH DISTRICT SUPPORTS NEW ECONOMIC ZONE MOVEMENT

Nam Dinh HA NAM NINH in Vietnamese 24 Dec 85 p 2

[Article by Tran Anh Kim: "Nam Ninh and the Movement To Send People to New Homes"]

[Text] From Results...

The transfer of people to build new economic zones is a regular and long-term job in the labor redistribution strategy of Nam Ninh District. During the past few years, this job has been ably developed by villages in the district. Nam Ninh has had additional new working facilities in both the north and the south with the persuasion of high economic effectiveness. During only the past 10 years, Nam Ninh has transferred 4,070 families totalling 24,264 individuals (including 14,630 laborers) to build new homes. During the past 5 years, the departure movement to build new economic zones of Nam Ninh has become increasingly profound and widespread with the transfer of 1,783 families totalling 8,856 individuals (including 4,352 laborers). The district exceeds assigned norms every year, one year achieving 160 percent of the plan. Those departing have left behind a cultivated land area of more than 4,000 hectares, assisting to increase the per capita area and the grain output of the district. Included in those departing for new home areas have been 423 party members, 4 district party committee members, 9 village party committee members and chairmen, 5 engineers, 4 doctors and 9 middle-level agricultural technology cadres. The people departing Nam Ninh for new home areas have constructed several working facilities worthy of attention such as Tran Yen in Hoang Lien Son, and Nam-Linh State Farm and Sa Don Cooperative in Lam Dong. During 1983, Nam Ninh was awarded the "Outstanding Emulation Unit" banner by the Provincial People's Committee for its work in transferring people to build new economic zones.

...to Lessons in Experience

Each time there is a transfer of people to build new home areas, the entire district of Nam Ninh seethes. Because Party committee and administrative echelons guide the various sectors in maintaining close contact with the campaign, procedures are synchronized and complete. From the district to the village level and from the leaders to the masses, all are conscientious in campaign achievement.

Departure for a new home assists in enriching one's native village and the fatherland and directly improves the life of each family. Therefore, the district level and especially the new economic bureau is the staff agency assisting party committee and administrative echelons to perform well at both ends, "departing" and "arriving." Wherever "departure" occurs, there is truly a "human smoothing and property sharing" to create every condition for those departing. At the "arrival" end, the district also gives great emphasis. The new economic bureau directly dispatches men to find land. When the people arrive, even though they are "dwelling in peace," the men continue regular visits and encouragement.

Departure organization is always thorough and meticulous. The new economic bureau establishes a preliminary "framework" and, after agreement is reached with the local area where the people will arrive, this "framework" becomes a construction committee to supervise the work and will possibly become the cadre "framework" of the new village or cooperative in the arrival location.

Nam Ninh has properly strengthened the full-time forces at the basic level. Of the 37 villages in the district, 33 have full-time personnel involved in the campaign of people leaving for new homes. The district has established and each year regularly and properly collects new economic funds. Since 1982, Nam Ninh has established a new economic fund of more than 2 million dong (former currency) and 552 tons of paddy. Every citizen in the district is responsible for contributing to build the new economic fund. Therefore, in addition to state aid in accordance with policy, Nam Ninh also has the conditions to provide additional aid to those departing or collectively to _ facility in the arrival location. For example, the district grants each framework cadre a monthly subsidy of 400 dong and each individual departing 30 kilograms of rice and 300 to 500 dong. Full-time cadres in the villages receive an additional monthly subsidy of 50 dong. With such a new economic fund, each expense for this campaign is more favorably handled.

Nam Ninh regularly uses the forms of presenting models of excellent work in the new areas and organizing brotherhoods between the old and new basic units to assist each other in construction and production. Annually, the district arranges for the people of the new areas to visit their old homes to exchange work experience. With honest individuals and true effort, the district and basic units have persuaded the conscientiousness of the people, assisting them to firmly believe in a warm and full life in their new homes.

The key leaders of Nam Ninh District recently visited the new land areas. After these realistic trips were made, the movement to send people to new homes became more widespread with better quality; and experience in organizing for the journeys became more thorough and synchronized. The struggle course of Nam Ninh during 1986 is to successfully transfer 600 families to Da Hoai District in Lam Dong Province.

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POPULATION, CUSTOMS AND CULTURE

DANCE HALLS PROLIFERATE IN HANOI

Hanoi TIEN PHONG in Vietnamese 21-27 Jan 86 p 7

[Article by Dang Trung: "Circumstances Surrounding Dancing in Hanoi"]

[Text] With the authorization of the Hanoi Municipal People's Committee, the Hanoi Cultural and Information Service on 20 December 1985 promulgated several regulations on organization and guidance of dances (commonly known as international dancing) in Hanoi. Upon receipt of these regulations, we immediately sought a meeting with Deputy Director Nguyen Vinh Cat.

"Sir, would you tell us about the dance movement of Hanoi youths and what led to these regulations."

Deputy Director Nguyen Vinh Cat happily replied, "Thank you very much for your interest in this problem and in us. The dance movement of Hanoi youth, as you know, has been developing for many years. The youths have responded to the collective dance movement. The Cultural Service has joined the Youth Union in organizing many creative contests to select collective and good dances to provide guidance for union cadres and for dissemination to all the union members and youths. On the occasion of the 30th anniversary of the liberation of the capital, the city held a collective dance party in many primary level units with thousands of our young friends participating to win prizes. Also on this occasion, we held a contest for dance couples. TIEN PHONG also introduced these beautiful couples. Generally speaking, many people applauded this cultural type of art. With such couples, why couldn't the dances that we commonly called international dancing be developed? Since that time, clubs, cultural buildings and hotels have held international dances for the youths. Hanoi had this movement before but it was forgotten due to the war and was continued only in those hotels with foreigners."

"How many locations hold dances in the city at the present time?"

"According to our information, there are presently nearly 30 dance locations. Some are for 60 couples while others are for up to 150. We have visited nearly all of these locations. Above all, many are spacious and pleasing in appearance with full equipment and service, precisely locations of cultural activity. However, many others are small, below standard, dark and dusty, unsanitary, crowded, without chairs, and with no accompanying service; there are colored dark lights and no fans and they are extremely hot in the summer. The volume of the music is too loud with some locations using tape and and some bands for which the word "disorder" may be used, playing hard as the youths often say. I am a musician and I am truly ashamed when I must witness a band play in this manner. There are even locations that invite singers to perform who cannot sing anything but oh oh oo oo! As far as the dancers go, everyone knows that a dance location is a place of cultural activity and polite social contact. We are proud of the youths of Hanoi for their refined speech and fine manner of dress. At many dance locations, youths entering the dance floor have clearly expressed their cultural way of life. In other locations however, our friends wear untidy clothing and shower shoes on the dance floor with a pith helmet drawn down over their eyes. They simultaneously drink bottles of beer, stagger about the dance floor and suck on cigarettes. Worthy of the greatest censure is that a number of these places have insufficient conditions but continue to operate for profit and the excessively crowded conditions have led to a number of disturbances."

"Thus, in the past, haven't you had to temporarily close them down?" I deliberately emphasized the word temporarily.

Vinh laughed, "I see you sympathize with us already. Leaders in the city, those in the Youth Union and we all agree that dancing is a wholesome recreational requirement of the youths. The problem is how it is organized. All of the articles in the set of regulations we have promulgated are aimed only at one objective, that of ensuring in a truly proper manner that the youths are provided with daily activities of a cultural type. For example, Article 3 states, "Organization locations must ensure conditions of sanitation, ventilation, light and sound that do not adversely affect the neighbors, with places to relax for those participating such as chairs and a place to safeguard their personal belongings."

"Sir, we see nothing in these regulations about dance organization in agencies, enterprises and schools, during unit parties and in the families for weddings and birthdays."

"Yes, that is so. This set of regulations applies only to clubs, cultural buildings and service agencies wishing to hold a function with international dancing, both classical and modern, for the masses which is organized at regular intervals for a fee under any form. The organization of dances during parties and summarization meetings by other units and youth union elements is extremely praiseworthy. Unit leaders will be responsible for these events. The Cultural Service urges all units to hold dances within their own unit. Why shouldn't there be joyful singing and dancing before or after a meeting. At weddings and other functions in the family, organization should be wholesome and refined without adverse effects on the neighbors in the significance of a form of cultural activity."

With a recommendation from the Cultural Service, on Saturday night we visited a press center club on Ly Dao Thanh Street. This was a club holding periodic dances, on Wednesday and Saturday each week, for a fee. Stepping through the door, we met Thanh Duc, the club manager.

"How lucky it is to meet you. The Cultural Service has recommended your club as a location that arranges dances in the most orderly fashion."

Thanh Duc stated frankly, "That is only the first step. If you had come during previous months, there were many other things. Here we have more conditions than other locations with the space and full service conveniences to accept a few hundred people at one time for dancing that is fully up to standards."

The place became fairly crowded with youths dressed in refined clothing. The music rose. I followed Duc onto the dance floor where I immediately encountered an acquaintance from a cultural entertainment group who had been invited to look after the accoustics. A "waltz" began. The couples gracefully danced shoulder to shoulder on the wide dance floor. Duc told me there were 120 couples there that night. During previous times with 150 couples, it was too crowded and stuffy. The music changed to a "tango," then a slow poke, a rumba, a cha-cha and then a Sun (disco). Everyone went onto the floor. The band was talented and a singer performed in an extremely attractive manner. It had been a long time since I had witnessed and participated in such a happy, relaxing and exciting evening of dancing."

During intermission, I went down to the refreshment bar and had just pulled up a chair when a youth saw me, "May we sit with you?"

"Please do."

"Where's your girlfriend?"

I laughed, knowing that I had violated a "regulation" because only couples could come here. I immediately dealt with the problem, "She's meeting a friend."

The youth's girlfriend immediately ran to get additional glasses and poured two bottles of soft drink into three glasses. It was the time to speak frankly with my sincere friends. I asked, "Do you come here often?"

"I do occasionally and my girlfriend has come here from the very first day."

I turned to ask the dainty little girl, "Have you been to other dance locations in the city?"

"I have been to a few but here it is more spacious, beautiful and cultured. The dancers are exuberate and respectful of one another."

Her friend laughed, "I work all the way in Haiphong--I am a sailor in a barge unit there! When I get time off, I come to Hanoi and ask my girlfriend to come here. I must say that I love dancing." Having spoken, he turned and looked at his attentive girlfriend.

The conversation was happy when the music started again. The singer's voice rose in a Vietnamese song. She had increased the tempo to match the disco tunes in support of the dancers. I suddenly thought that throughout the dance, the band played only foreign music. Why not play or have a few Vietnamese songs instead of always a waltz, tango or disco tune? This problem is probably dependent on the music circles.

At the final set, manager Thanh Duc grasped my hand and said, "How about that! Was it alright?"

I did not hesitate, "Alright. Very good. Actually, when I heard about the bad things happening on the dance floor, I was a little discouraged but after coming here today, we are in high spirits."

I recalled a statement by Vinh Cat, Deputy Director of the Hanoi Cultural Service, "The problem is a need for truly good organization in order to answer the cultural enjoyment thirst of the masses, with shortcomings overcome wherever they occur."

I said to Duc, "I notice that when there is a waltz, the couples dance in an extremely beautiful manner but when there is a "disco" tune, many dance like locusts."

"That is correct. Disco is easy but difficult and the club has an instructor and we are conducting gradual training."

I inquired of Duc, "How much does a ticket cost?"

"The same as a ticket to see an art exhibition."

Night after night, 30 dance locations in Hanoi (surely many more will appear at the beginning of this spring) along with hundreds of locations providing music and showing movies are creating a network of rich and wholesome cultural activity in the capital.

We applaud the proper position of Hanoi in organizing and managing dance floors for the youths. It is hoped that the Cultural Service will join the Municipal Youth Union in properly achieving a policy and conducting study to gradually raise the effectiveness of these dance nights. Not only the waltz, tango, chacha and disco but also the Lam Thon (Kampuchean) and the Lam Toi (Laos) and Vietnamese dances appreciated by the youths.

7300
CSO: 4209/318

'ORDEALS' OF PHAN THI KIM PHUC RECOUNTED

OW061549 Hanoi VNA in English 1456 GMT 6 Mar 86

[Text] Hanoi VNA 6 March--The name of Phan Thi Kim Phuc calls back to the mind of many, both in Vietnam and abroad, the horrors of the American war: a naked girl of about 10 with flame on her body fleeing her burning village after a napalm bombing [by] U.S. planes that happened in a rural area of Tay Ninh Province, 70 km north of Saigon (now Ho Chi Minh City), in 1972.

The girl later went through the worst ordeals and might have not survived had it not been for the devoted care of her family, friends, and later, the revolutionary administration. A West German took her to the FRG where she underwent extensive plastic surgery.

I met her in Hanoi recently at one of her relatives' home. She had just come back from the Soviet Union where she received additional treatment. She was about to take a flight back to the South to resume her second year English lessons at the Ho Chi Minh City University. Now, at 22, Phuc has grown into a pretty young woman. But for her the war is not completely gone. She had dreamt of becoming a doctor to "bring relief to anyone who suffers like me," but the frequent headache turned her off the simple dream. She said she was very and not being able to put on open-necked short-sleeved shirt in summer like others at her age in her home town because of the scars on her arms. [sentence as received] On sultry days, whe would feel as if her body had caught fire because of the scarred burns on her body prevented sweating.

Kim Phuc attended the 12th World Youth and Students Festival in Moscow in 1985. She made many friends at the meeting who could not hold back tears listening to her story. To them and all other well-wishers, Kim Phuc said: "Let's look forward and close our ranks further so that there will be no more Kim Phuc's in Nicaragua, El Salvador, Lebanon, in the northern border of Vietnam and anywhere else in the world."

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BIOGRAPHIC

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Nguyễn Anh Bắc [NGUYEENX ANH BAWCS], Colonel

Recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Trần Ngọc Cảnh [TRAANF NGOCJ CANHR]

Head of a department in the Ministry of Agriculture; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Trương Công Cần [TRUWOWNG COONG CAANF], Lieutenant General

Director of the Political-Military Officer School; his article about his school appeared in the cited source. (NHAN DAN 13 Jan 86 p 3)

Nguyễn Băng Cơ [NGUYEENX BAWNG COW]

Director of the Lao Dong Publishing House; his article "Forty Years Of Book Publication In The Service Of The Working People" appeared in the cited source. (Hanoi THE VIETNAMESE TRADE UNIONS No 6 Nov-Dec 85 p 25)

Trần Việt Chy [TRAANF VIEETJ CHI]

Head of a department, Ministry of Agriculture; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59, 60)

Lê Đăng Doanh [LEE DAWNG ZOANH]

Head of a department of the Central Institute for Economic Management Research, (Vien Nghien Cuu Quan Ly Kinh Te Trung Uong in Vietnamese). Recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Hồ Nhật Đán [HOOF NGAATJ DANS]

Head of a Department of Ministry of Marine Products; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59, 60)

Lưu Văn Đạt [LUWU VAWN DATJ]

Head of an Institute, Ministry of Foreign Trade; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Trương Quang Được [TRUWOWNG QUANG DUWOWCJ]

*Vice Chairman of the People's Committee, Haiphong Municipality; recently he chaired a meeting on the management of liquor production and trade. (Haiphong HAI PHONG 23 Jan 86 p 1)

Trần Đình Hòa [TRAANF DINHF HOAF]

Head of the General Department of Mechanization, Department of Agriculture. Recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86)

Phạm Văn Huân [PHAMJ VAWN HUAAN]

Deputy Director of Cabinet of the Council of Ministers. Recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Nguyễn Quang Long [NGUYEENX QUANG LONG]

Head of an Institute, Ministry of Finance; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Nguyễn Mại [NGUYEENX MAIJ]

Head of the Economic Committee, Hanoi Municipality; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Nguyễn Mạnh [NGUYEENX MANHJ], deceased

Born on 10 Dec 1926; *Secretary of Haiphong Municipal CPV Committee Chairman of the Economic Committee, Haiphong Municipality; former Standing Member of the Haiphong Municipal CPV; former Deputy Chairman of Haiphong' People's Committee; he died on 15 Dec 85 because of an accident. (NHAN DAN 17 Dec 85 p 4)

Nguyễn Ngọc Minh [NGUYEENX NGOCJ MINH)

Head of an Institute, Vietnam Social Science Commission. Recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Trần Đình Nghiêm [TRAANF DINHF NGHIEEM]

Deputy Head of the Institute of the Classics, Max-Lenin Institute; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Vũ Hữu Ngoạn [VUX HUWUX NGOANJ]

Chief Editor of NGHIEN CUU review, Nguyen Ai Quoc Higher Party School; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Trịnh Nguyên [TRINHJ NGUYEEN]

Deputy Head of the Organization Department of the Council of Ministers; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Văn Phác [VAWN PHACS]

Member of the Central Committee of the VCP; Vice Minister of Culture; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Note: he was also recorded as TRAN VAN PHAC [TRAANF VAWN PHACS]

Hoàng Đình Phu [HOANGF DINHF PHU]

Vice Chairman of the State Science and Technology Commission; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 59)

Hoàng Thanh Quang [HOANGF THANH QUANG], *Colonel

His article on the Revolution Against the French (1945-1946) appeared in the cited source. (TAP CHI QUAN DOI NHAN DAN Dec 85)

Nguyễn Quyết [NGUYEENX QUYEETS], Colonel General

Member of the Central Committee of the CPV; Commander of the 3d Military Region; on 20 Dec 85 he attended the 41st anniversary of the VPA. (Haiphong HAI PHONG 21 Dec 85 p 1)

Lê Quang Thành (LEE QUANG THANHF)

Head of an Institute, Ministry of Interior; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 60)

Chế Viết Tấn [CHEES VIEETS TAANS]

Deputy Director of the Economics Department of the CPV Central Committee; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 60)

Lê Thanh [LEE THANH]

Deputy Director of Haiphong Municipality security forces; on 14 Jan 86 he attended the third meeting of the People's Committee to discuss the municipality's 1986 plans. (Haiphong HAI PHONG 15 Jan 86 p 1)

Lê Thi [LEE THI]

Acting Director of the Institute of Philosophy, Vietnam Social Science Commission; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 60)

Phan Thù [PHAN THUF]

Standing Member of Haiphong Municipal CPV Committee; Chairman of the Inspection Committee of Haiphong Municipal CPV Committee; on 9, 10 Jan 86 he attended a meeting of his Committee to review 1985 work and set task for 1986. (Haiphong HAI PHONG 11 Jan 86 p 1)

Trùòng Thuân [TRUWOWNG THUAAN], *Colonel

His article "Achievements and Experiences of the 330th Group in Economic Construction" appeared in the cited source. (TAP CHI QUAN DOI NHAN DAN Nov 85)

Trần Sờn Thủy [TRAANF SOWN THUYR]

Vice Minister of Forestry; his article on forestry appeared in the cited source. (NHAN DAN 22 Jan 86 p 2)

Nguyễn Thuyết [NGUYEENR THUYEETS]

Director of the International Department of the Vietnam Confederation of Trade Unions; his article "Vietnamese Trade Unions Hold The Banner Of International Solidarity" appeared in the city source. (Hanoi THE VIETNAMESE TRADE UNIONS NR 5 Sep-Oct 85 pp 12-18)

Phan Văn Tiêm [PHAN VAWN TIEEMJ]

Deputy Director of the State Price Commission; recently he attended a science conference to prepare for the 6th Party Congress. (Hanoi TAP CHI CONG SAN Jan 86 p 60)

Vũ Tính [VUX TINHS]

*Vice Chairman of the People's Committee of Ha Nam Ninh Province; in Dec 1985, he was with a delegation that visited Catholics at a number of districts in his province. (Nam Dinh HA NAM NINH 27 Dec 85 p 1)

Đàm Quang Trung [DAMF QUANG TRUNG], Colonel General

Member of the Central Committee of the CPV; Member of the Council of State; Commander of the 1st Military Region; his article on the struggle against the Japanese facists appeared in the cited source. (NHUNG VAN DE HOA BINH VA CHU NGHIA XA HOI Sep 85 p 39-41)

Nguyễn Hiểu Trường

"Nguyen Hieu Truong" is the pen-name used by Tran Bach Dang for his novels and short stories, just as he uses "Huong Trieu" and "Tran Quang" to sign his poems and essays.

The writer and poet Tran Bach Dang is first and foremost a revolutionary activist. His real name is Truong Gia Trieu, and he was born 15 July 1926 at Giong Rieng, Kien Giang into a patriotic confucianist family; though he lived in Bien Hoa as a youth, as an adult he primarily lived and worked in Saigon. He was awakened to the revolution at the age of 17, and wrote his poems even while conducting revolutionary activities; his poems appeared in "Thanh Nien" and "Dien Tin." With the success of the August Revolution, he first worked for the Saigon City Committee and then joined the Army. Throughout the two resistance wars against the French and the Americans, he worked in Saigon and the Nam Bo region (as chief of Propaganda-Training for COSVN (Central Office for South Vietnam), leader of the Saigon party apparatus, and Chairman of the South Vietnam Liberation Arts and Letters Association. (Paris DOAN KET Jan 86 p 8)

Nguyễn Thuận Ứng [NGUYEENX THUAANJ UWNGS], Colonel

Deputy Secretary of the CPV Haiphong Municipality; Political Director of Haiphong Municipality Military Command; on 20 Dec 85 he attended the 41st anniversary of the VPA. (Haiphong HAI PHONG 21 Dec 85 p 1)

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CSO: 4209/369

BRIEFS

HO CHI MINH'S POEMS--Hanoi VNA 6 March--A collection of the late president Ho Chi Minh's poems has been published in Laos in anticipation of the fourth congress of the Lao People's Revolutionary Party. It includes poems excerpted from the late president's book "Diary in Prison." Translator is Somsi Desakhmphou, Lao vice minister of culture. In its introduction, the Lao Publishing House praised the great services of the late president Ho Chi Minh to the revolutionary struggle in Vietnam and in the three Indochinese countries as a whole. [Text] [Hanoi VNA in English 1516 GMT 6 Mar 86 OW] /12232

CSO: 4200/779

END

JPRS-SEA-86-053

24 March 1986

Southeast Asia Report

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24 March 1986

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VOPB SCORES GOVERNMENT DEMONETIZATION

BK091245 (Clandestine) Voice of the People of Burma in Burmese 1230 GMT 7 Mar 86

[Unattributed "article": "The Military Government Has Robbed the People Under False Pretext"]

[Text] The time frame for depositing the demonetized 100-kyat, 50-kyat, and 20-kyat notes at the military government banks is over. With the exception of a few people who are either leaders or members of the military clique, the people throughout the country irrespective of their race, religion, and class were subjected to mental and physical stress and anxiety. It would only be a household or a neighborhood which suffered should there be a robbery or a fire, but with the kind of sweeping robbery committed by the military government, the whole nation became a victim. The order issued by the military clique spared no one, not even the worker who earned 5-6 kyat daily, the peasant who had saved his hard-earned money, or even trustees of religious institituions.

Some 21 years ago, the first round of demonetization was announced by the Burma Socialist Program Party [BSPP] government. Why the same thing again? The excuse used then--on 17 May 1964 when the demonetization was announced--was also used now again. They said it was to flush out the black money from the smugglers and the moneyed people. If that had really been the case, we would like to pose a question here: Why, after practising a dictatorship through a single-party for more than 20 years, are these sort of people still around? Why cannot these people be, to use the word the military clique likes to utter, uprooted? One thing is very certain. Never before in history have the blackmarket and the black money been thriving as they do under the rule of the military government. [Sentence indistinct]. Obviously, the blackmarket and the black money are the offshoots of the BSPP government's economy.

The reason why the military government was willing to sacrifice its image internationally and play the role of the villain at home is this: Since 1982, Burma had persistently been suffering from the impact of the economic recession in the capitalist world. Before this time, leaders of the military clique loved to claim that the country had been fortunate [to avoid economic woes]. Those days are over, and since then they have persistently been plagued with the problems of rising import costs and declining export prices. Consequently, the inflation and the prices of goods at home have soared without restraint.

Whey they first came to power, the foreign debt stood at about 372.7 million kyat. But today, it has increased by about 60 times to about 25 million kyat. If the debt to be serviced in 1985-86 is to be taken into account also, the total debt stands at about [figure indistinct]. This means that even if the export target for this period is fully met, the debt serving ratio is more than 46 percent of the expected income from exports. World economic observers opine that it would not be too long before the military government seeks a deferment for the settlement of debts.

Now, let us have a look at the amount of cash in circulation in the country. The amount was about 1.2 billion kyat up to 1962, but this amount has increased to 12 billion kyat in 1984--an increase of 10 times. In recent years the military government has been regularly increasing the currency in circulation by about 1 million kyat annually. The indiscriminate increases in currency have led to difficulties in backing the local currency with gold and foreign exchange reserves. In 1962, every 100 kyat was backed by about 61.789 kyat in gold and foreign exchange reserves. But in 1984, the support for the local currency with gold and foreign exchange reserves was about 6.9 kyat per 100 kyat note.

In the meantime, the value of Burma's export goods has been declining for the past 4 or 5 years. As the means of earning foreign exchange becomes difficult [words indistinct]. Imports therefore have been drastically reduced, but that still did not check the foreign reserves from drying up. The reserves dropped to an all-time low in the second half of 1985 to about 500 million kyat.

With all the economic difficulties cited above facing it, the military government had to find a way to relieve itself. For obvious reasons since the military clique could not do much in international financial and trading matters and as it is mere putty in the hands of big nations as these matters are concerned, it resorted to robbery at home. The BSPP clique knew very well that the economy could not be saved through normal procedures, and hence employed a method which not only was easy but would also benefited them the most. The dictators of the single-party who wield the armed forces then issued the order declaring as illegal the 100-kyat, 50-kyat, and 20-kyat notes.

According to figures released by them, it is understood that the military clique gained about 400 million kyat in the first round of demonetization. The amount of currency in circulation at that time was only 1.937 billion kyat. But since the circulating amount now is 12 billion kyat, the military clique could gain about 3 billion kyat.

For these very reasons, it is evident that the demonetization by the military clique was solely for the benefit of the BSPP government and had nothing to do with the interests of the people. Since it is very certain that the military government would be using the cash it had robbed to oppress and massacre the people, all the 100-kyat, 50-kyat, and 20-kyat notes now in the hands of the military government can genuinely be described as black money.

/12640
CSO: 4211/36

BURMA

BRIEFS

AMBASSADOR TO BANGLADESH--The Foreign Affairs Ministry announced that the president of the Socialist Republic of the Union of Burma has appointed U Soe Myint, director of the Foreign Ministry, as the ambassador extraordinary and plenipotentiary of the Socialist Republic of the Union of Burma to the People's Republic of Bangladesh. [Text] [Rangoon Domestic Service in Burmese 0430 GMT 5 Mar 86 BK] /12640

PEOPLE'S ARMY ATTACKS--Combat news: On 19 December 1985, an attack conducted by a small unit of the People's Army in Mong Ping region killed six enemy soldiers. A total of six weapons, including a carbine, 3 G-3's, a G-4, and an M-77 collapsible mortar and over 500 rounds of ammunition were seized from the enemy. The enemy troops were not pleased with such punishment from the People's Army and the people that they sent in four military columns between 24 and 28 December, but they were repulsed by the people and the People's Army. As a result of this action, an enemy soldier was killed and nine others were wounded. On 25 December 1985, a guerrilla attack conducted by a small unit of the People's Army in the vicinity of (Yong Pang) in Loi Pang Lom killed two enemy soldiers. During the attack 1 G-2 and over 180 rounds of ammunition were seized from the enemy. Combat news from the people's armed units in Kokang area: Between 27 November and 31 December 1985, attacks conducted by the people's armed units killed 6 enemy soldiers and wounded 13, including 2 mercenary corporals. A carbine and some carbine ammunition were seized from the enemy. [Text] [(Clandestine) Voice of the People of Burma in Burmese 1230 GMT 7 Mar 86] /12640

SWEDISH ENVOY APPROVED--The Government of the Socialist Republic of the Union of Burma has agreed to the appointment of Mr Nils-Olov Hasslev as ambassador extraordinary and plenipotentiary of the Kingdom of Sweden to the Socialist Republic of the Union of Burma. [Excerpt] [Rangoon WORKING PEOPLE'S DAILY in English 27 Feb 86 p 1 BK] /12640

HUNGARIAN AMBASSADORIAL APPOINTMENT--Rangoon, 21 Feb--The Government of the Socialist Republic of the Union of Burma [SRUB] have agreed to the appointment of Mr Jozsef Olah as ambassador extraordinary and plenipotentiary of the Hungarian People's Republic to the SRUB. [Excerpt] [Rangoon THE WORKING PEOPLE'S DAILY in English 21 Feb 86 p 1 BK] /12640

CSO: 4200/794

INDONESIA

BRIEFS

PHILIPPINES SITUATION, MUSA RESIGNATION--Foreign Minister Mokhtar Kusumaatmaja said that the release of several communist leaders in the Philippines does not indicate that the government of President Aquino will tolerate the communist movement in that country. Mokhtar said this in a weekly press conference in Jakarta today. He said that the release of the Philippine communist leaders is not alarming because President Aquino knows what she is doing. Mokhtar says this action will not change the image of the country as a noncommunist state. Answering a reporter's question on the withdrawal of Datuk Musa Hitam from the Malyasian cabinet, Mokhtar said that it is a normal affair in a multiparty government. He hoped that the Malyasian Government will settle its political problem in a good manner. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 7 Mar 86] /12640

AQUINO FREEING COMMUNISTS--Commenting on the release of four Philippine communist detainees by President Corazon Aquino, Suhardiman, vice chairman of the parlimentary commission on political and security affairs, said he disagrees with Foreign Minister Mokhtar Kusumaatmaja's views. Suhardiman said that Corazon Aquino should not have given too much commitment to the communists in her country because it is not in line with ASEAN countries' policy and will only weaken the Philippines. He said it is a big mistake to look at the communists in terms of their number. Once a communist always a communist, he stressed, adding the Philippine communists are well armed. Earlier, Foreign Minister Mokhtar said that the release of the four communist leaders in the Philippines was that country's internal affairs and Indonesia can only closely watch the developments in that country. [From the parliamentary news roundup] [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 9 Mar 86] /12640

FUNERAL FOR REGIONAL COMMANDER--Army Chief of Staff General Rudini presided over a funeral ceremony for the late Major General Jarot Supatmo, the Bukit Barisan regional military commander, in Jakarta on 2 March. The commander was one of the victims of a helicopter crash in North Sumatera on 28 February. [Summary] [Jakarta Domestic Service in Indonesian 1200 GMT 2 Mar 86 BK] /12640

SUMMIT VENUE NOT YET DECIDED--Indonesian Foreign Minister Mokhtar Kusumaatmaja said in Jakarta yesterday that the venue of the Association of Southeast Asian Nations summit meeting has not yet been decided. Minister Mokhtar said that all of the ASEAN members--Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand--had agreed on the convening of the third summit meeting in 1987. However, despite the statement made by Malaysian Foreign Minister Tengku Rithauddeen recently that the next ASEAN summit will be held in Manila, Minister Mokhtar said the venue has not yet been decided. But, he added that there is no problem on the venue for the important thing is that they arrange good agenda and the talks will benefit all members. According to the foreign minister the summit meeting is to be held to review the results achieved by ASEAN since its inception on 8 August 1967 and to project ASEAN's goals in the next decade as well as steps to reach the goals. [Text] [Jakarta International Service in English 0800 GMT 8 Mar 86] /12640

FOREIGN MINISTER ON EAST TIMOR--Indonesian Foreign Minister Mokhtar Kusumaatmaja prediced Saturday "that the East-Timor issue would not be raised again in the next General Assembly of the United Nations, ANTARA news agency said. After reporting to President Suharto on Indonesia's preparation for the next UN General Assembly, Mr Mokhtar told newsmen that Indonesia hoped the question of Indonesia's annexation of the former Portuguese colony of East Timor would soon be settled so that it can be eliminated from the UN agenda next year. [Excerpt] [Paris AFP in English 1811 GMT 8 Mar 86] /12640

TRANSMIGRANTS FROM CENTRAL JAVA--Semarang, 2 March (ANTARA)--Central Java sent 2,095 families consisting of 8,457 lives to resettlement centres in Irian Java, Sumatra, Sulawesi and Kalimantan during the month of February. It was learned here Saturday. A source of the Central Java office of the Ministry of Transmigration said the new settlers came from several regions of the province. The source added that in the new resettlement centres they will be working in several nucleus estate projects. [Text] [Jakarta ANTARA in English 0615 GMT 2 Mar 86 BK] /12640

CSO: 4200/788

LAOS

'TALK' NOTES REAGAN JOKE ON BOMBING USSR, STAR WARS LINK

Vientiane PASASON in Lao 11 Dec 85 p 3

[Column: "Testing Microphones"]

[Text] Seriously, it is not funny at all for anyone in the position of president to talk so irresponsibly. The incident was:

Last year, Reagan said on microphone at the White House that, "In five minutes, the bombing of the USSR and SRV will start." Then he remained silent and his words were broadcast worldwide. On one hand, the White House was testing world opinion to see the reaction. On the other hand, it was trying to say that world opinion should not take this bellicose statement seriously at all: "Just consider it as another Reagan joke." Everybody knows about Reagan's comical nature. A few days before the American independence day celebration on 4 July, Reagan, the head of the White House administration, had another urge to "test the microphone," by saying, "Ha! Last evening I saw the movie Rambo, and now I know what I have to do if an incident like that in the movie occurs."

Rambo is a recent American movie about an American soldier during the Indochina war of aggression. He risks his life to save another American soldier who is one of his friends. He savagely escapes from a Vietnamese jail by killing everyone in his way.

The statement that issued from Reagan's mouth was interpreted by his spokesman as, "The president was testing his voice," and was only joking. Maybe Reagan was just joking. But in practi[illegible] his bloody actions have been expressed in Grenada, Lebanon, and Nicaragua.... Those are the proofs of his real nature, just as he expressed his satisfaction about the movie Rambo in "testing the microphone."

Reagan liked the movie Rambo for two reasons: the hero threatened lives and killed people whom he considered to be obstacles to his own interests. These days, the merciless and inhumane Reagan administration wants to make people laugh about the fighting and the killing in the world, to make actual crimes into jokes. After they are prepared to commit crimes, they joke and talk as if the world were indebted to them. This attitude has become traditional for warmongers and one that history has confirmed. Therefore, they are exerting their efforts in the arms race, star wars and nuclear war that threaten the safety of humankind. August 1985, the Reagan administration announced that it would test shoot a rocket to destroy satellites. This has stirred up an atmosphere for war and created tensions, which is typical of gangsters. All their words and actions are not to protect peace; on the contrary, they are all to cover up their bellicose nature.

12597/8309
CSO: 4206/48

PROGRESS IN LEGAL FIELD, JUSTICE MINISTRY NOTED

Vientiane PASASON in Lao 6 Dec 85 p 2

[Text] Over the past decade, the dictatorship of the proletariat has improved, increased and strengthened at every administrative level along with economic, cultural and social development. Our party and state have always considered socialist law to be very important and closely integrated and interwoven with state policies. The legal field is an important task and necessary to the growth of democracy, which is one form of dictatorship of the proletariat. Legal problems have been discussed at various central party congresses, especially at the 3d general congress of the LPRP.

There are four major problems in the area of socialist law:

Developing and improving laws to make a complete legal system.

The state, organizations, society, cadres, and everyone must respect and strictly obey the law.

People should be informed and educated about the law.

The practice of law must be inspected.

Concerning the development of law, around 300 pieces of legislation have been passed and promulgated by our state. Laws are important tools in administering the state. In particular, the Ministry of Justice, in addition to expressing its opinion about laws and drafting various legislation for organizations related to the central administration, also has drafted legislation concerning the establishment of a court system and trials--Order Number 53/LPDR, dated 15 October 1976, of the Ministerial Council of the LPDR. This draft legislation concerns civil rights and civil obligations toward the state, criminal law, regulations about criminal trials, the court system and other matters.

Informing and educating the people about law also is an important task. Laws are meant to guarantee social justice. Socialism considers violating the law to be a serious problem. We have been working hard to inform and educate the people about laws, such as Order Number 53/LPDR, but we have not yet succeeded in our efforts. We have opened many short training classes around the country in the legal field and in justice, which have improved understanding about Lao laws among cadres and civilians and have improved social order, step by step. The court system is an important tool of the state in the socialist system. The court system comes from the people; it is where civil rights and civil interests are protected. It is a tool of the working class for protecting their collective rights and for suppressing the counterattacks of the abusive and exploitative class that was overthrown. Different levels of courts have been established and improved in grassroots areas around the country. These courts have fulfilled the political duties of the party and state fairly well.

Every cadre problem has been trialed in court. The courts have paid a lot of attention to elevating their political ideology and also consider the legal field very important. There is short term legal field training domestically and young cadres are being sent to socialist countries to study law.

In addition to the beautiful performance of its duty, the LPDR is cooperating in legal and judicial studies with all socialist countries. Lao lawyers were sent to judge the Pol Pot-Ieng Sary case in the People's Republic of Kampuchea and the LPDR has regularly cooperated in international legal and justice issues, which has contributed to the world's peaceful struggle for justice.

12597/8309
CSO: 4206/148

LAOS

MANAGEMENT OF UNORGANIZED MARKETS DISCUSSED

BK091410 Vientiane Domestic Service in Lao 0000 GMT 6 Mar 86

/Feature: "Consolidate Organized Markets and Step Up Managing Unorganized Markets"/

/Text/ Respected listeners: In the cause of defending the country and building socialism in our country, the establishment of new, socialist regulation in the field of circulation and distribution of goods is regarded as a significant and urgent task. Since the liberation of the country, in particular since the implementation of the First 5-Year State Plan, we have done away with the comprador capitalists' trading system and have transformed the capitalist trading businesses. The socialist trading system--which consists of the state trading enterprises and the collective trading cooperatives--has been set up at all levels, ranging from the central down to the provincial, district, and village levels. Main products and significant goods which are needed in the production work and in the daily life of the people have been brought under the control of the state. Despite the fact that we have taken control of various basic industrial products and the main part of basic products in the agricultural and forestry fields, there still remain many gaps in the socialist trading. Free, unorganized markets are still continuing to take control of most part of industrial and handicrafts products and part of the agricultural products as well as the trading administration. At present, private sectors have continued to import a considerably large number of goods. There still remain a large number of people who have earned their living on trading. Therefore, a failure to effectively organize management of those unorganized markets will affect the production achievements and the living conditions of the people. It will also cause difficulties to the financial and monetary establishments of the nation. Moreover, it will lead to many adverse practices in the society of our country.

As we are aware, the class struggle which is aimed at settling the problem of the two systems is extremely complicated, fierce, and furious. The revolutionary struggle in our country in the present is also a struggle to settle the problem of who will win over whom between the two systems--socialism and capitalism. This struggle has been carried out fiercely and furiously in the markets. At a time while the enemies are carrying out the general war of sabotage in our country, the struggle has been also carried out in a certain level. It is a struggle between us and the enemies. Therefore, we cannot afford to fail to manage the markets. We must step up implementing the control system and must strictly control private trading. It is necessary for us to regularly implement the market control system.

The state trading business, as we are aware, has maintained a significant position and role. But, in the past, we failed to understand the correct position and role of state trading. Therefore, the concentration on strengthening state trading business in all respects, the raising of the level of business management, and the maintenance of the spirit of revolutionary enthusiasm to endeavor to take control and take lead of the markets are considered the requirements of the revolutionary cause of our country in the present.

There are many gaps in the management work of the state. There is a delay in putting into details and into orderly process the economic plan and policy while the existing ones have not yet been perfected. This has led to the practice of doing anything at will. With regard to the establishment of new, socialist regulations for security in carrying out the circulation and distribution work, to contribute to tranquilizing the daily life, boosting production, and making a change in the economic and social situation in our country in a better way, it is urgently required that the circulation and distribution branch actively join in the struggle between the two systems by broadening the battlefront of the socialist trading while doing away with the capitalist trading one and marching toward the achievement of the objective of gradually stabilizing the incomes of the people of various classes in the society in a fair and reasonable manner.

In our country today, markets are considered hot battlefields for the circulation and distribution of goods. The establishment of the new, socialist regulations on security in connection with the market issue is considered an urgent task. The market management must be carried out in accordance with an appropriate direction, meaning that all markets in our country's society must be put under the control of the state in accordance with unified regulations of the state. All collective and private sectors which operate the trading businesses must respect the state's management regulations.

All state-owned and collective trading organizations must carry out their activities in accordance with the regulations. Those which carry out trading activities in violation of the state's rules and regulations shall be censured and fined. The most decisive factor for the management of the markets is to promote and expand the production in accordance with the adopted plan and the state plan, to continuously broaden and consolidate the economic position of the state, and to guarantee that the state can firmly grasp both the goods and money.

In carrying out state trading, business leaders must step up activities in all fields. First and foremost, all industrial products of the state and of the state-private enterprises and all products of small industries which have contracts with the state must be handed over to the state trading enterprises in order to be organizationally circulated and distributed. As for the state trading enterprises, they must reform the trading business and raise its efficiency in a reasonably organizational manner. They must also strengthen the material and technical establishments of the business so as to surge forward to grasp most part of the wholesaling and retailing administration with a view to gradually turning the socialist markets into markets taking lead of all markets in our country's society.

The collective trading, in particular the trading cooperative, maintains a very important role in running this business, because it is a collective economic organization of the countryside. It is necessary for the trading cooperatives to surge forward to, together with agricultural production cooperatives, guarantee all trade exchange activities carried out between farmers and the state and to lead the farmers to switch to organized markets step by step. Market management must be firmly combined with the transformation of the private trading of the farmers. The trade service has the duty of transforming the capitalist trading and organizing retailers to correctly operate their business in accordance with the line and policy of our party and state. The objectives that must be achieved in carrying out the market management are to organizationally broaden the circulation and distribution of goods in accordance with the regulations, and to promote production to effectively serve the people's living conditions. To manage the markets does not mean the banning of the use of markets. It does not mean to make the circulation and distribution of goods come to a standstill or to make the markets be divided, which will cause disturbances among the people. In carrying out the market management, the various economic administrative measures, ideologies, and organiztions must be utilized in a very effective manner. In this regard, the economic measures must be firmly grasped and used as the basis. The most important economic measure is socialist trading. It is necessary to grasp the sources of goods and to broaden the socialist businesses. With regard to the ideologies and organizations, it is imperative to mobilize the force of masses. Based on the force of the masses, arrangements must be made to have various levels of this branch of business be related to each other. In addition, the management of the administrative work must be enhanced in order to have the regulations and laws of the state on the market issue be strictly implemented.

/12228
CSO: 4206/82

SAYABOURY RALLY DECLARES PRIORITIES ON NATIONAL DAY

Vientiane KHAOSAN PATHET LAO in Lao 12 Dec 85 pp A1-3

[Text] To: The Central Party Administration and LPDR Government in Vientiane

The morning of 2 December 1985, the party administration, people's council, administration committee, provincial Lao Nation Construction Committee and other organizations organized a big celebration on the historic 10th anniversary of the formation of the LPDR.

The 10th anniversary of the LPDR (1 December 1975-2 December 1985) was organized in Sayaboury Province stadium. The celebration proceeded successfully in accordance with the wishes of the central party politburo and the orders of the central party commission.

Some 6,141 cadres, combatants, state employees, workers, representatives of national heroes, athletes, teachers, students, senior citizens, monks, and hill tribe people who live in Sayabouri District and nearby participated in the celebration. The celebration created an atmosphere of revolutionary spirit, pride, joy, and trust in the revolution and in socialism under the leadership of the LPRP.

This rally encouraged more persons to be involved in the revolutionary movement to accomplish the many goals that were set by the third term of the 7th congress and by other measures of the central party and the ministerial council, namely, reform of the economic system.

The year 1985 was the final year of the First 5-Year State Plan and a year of fundamental development and new means for implementing the Second 5-Year State Plan (1986-1990). Every area of work should be encouraged to commemorate the upcoming fourth general congress of the party and provincial party administration. The rally unanimously expressed its decision to the central party administration and the LPDR Government as follows:

1. To continue to increase, strengthen and secure internal, ethnic and international solidarity. To stop and fight against division and enemy propaganda, and to work hard to restore the dictatorship of the proletariat at the provincial and district levels and in grassroots areas. To improve and build offices, organizations, departments, schools, hospitals, and basic production and to make them secure in political ideology and stable in organization.

2. To increase defense and security, to build up public movements and participate in stopping and conquering every destructive movement of the enemy, to protect our beloved homeland and make it secure forever.

3. To concentrate on reforming and expanding the economy, and pushing agriculture, forestry, and industrial production to achieve the levels set for them. To struggle to become self-sufficient in food supplies, meet the requirements of the central government and have the planned stocks of food.

4. To continue to build and improve agricultural coops and trade coops, and expand the state's collective economic system. To increase their roles in guiding the part of economy that is still liberal, to develop a new look in the state and collective economy, to carry out the distribution task and to reform the economic system.

5. To promote cultural, social, artistic, literary, and acrobatic activities in the grassroots areas, to promote education and research, to develop the public health network and to revive social welfare in order to serve defense and security and to reform and develop socialism.

6. To increase, develop and promote activities of mass organizations to increase their roles in improving the development of Sayaboury Province to make it rich and strong, step by step.

7. To work on the international relations tasks that the party and state have delegated. To increase relations and cooperation with socialist countries, especially with its twin province, Bay Bing, in the SRV.

8. Ahead of us are to encourage the people to harvest rice and other crops on time and in season; to pay agricultural taxes and sell rice and other harvested products to the state; and to get ready for dry season production, lumbering and gathering forest goods systematically. Also, starting road construction work, developing materials and a technical foundation and starting to distribute goods. All of this is aimed at new trends and new means in every area to make Sayaboury Province step firmly onto the road to socialism and to prosperity.

Best wishes to the leaders of the party and the state, headed by our beloved and respected Comrade Secretary General Kaisorn Phomviharn. Long may he live to lead the people of the nation of Laos and Sayaboury Province in particular to get to the top.

Sayaboury, 2 December 1985

Provincial Party Administration, Provincial Party Secretariat

Khamvone Thammalat

12597/8309
CSO: 4206/48

LEADERS RECEIVE MESSAGE OF THANKS FROM PRK

BK281310 Vientiane KPL in English 0906 GMT 28 Feb 86

[Text] Vientiane, 28 Feburary (KPL)--Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party CC, chairman of the Council of Ministers, and Souphanouvong, president of the republic, the People's Supreme Assembly of the Lao PDR have received a joint message from the Kampuchean leaders thanking the Lao side's greetings on the 7th national day of Kampuchea.

The message was jointly signed by Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea CC, chairman of the State Council, Chea Sim, president of the National Assembly, and Hun Sen, chairman of the Council of Ministers of the People's Republic of Kampuchea.

The message wrote:

"The victories over the past 7 years of the Kampuchean people constitute a strong and common force of solidarity among our three Indochinese peoples--a vital factor in the cause of national defence and socialist building, as well as a factor for the preservation of peace, and stability in SEA (Southeast Asia) and the world."

The Kampuchean leaders also expressed satisfaction over the unceasing development of relations of fraternal friendship, special militant solidarity and all-round cooperation between the two parties, governments and peoples.

Phoun Sipaseut, minister for foreign affairs of the Lao PDR also received a similar message from his Kampuchean counterpart, Hun Sen.

/12640
CSO: 4200/794-A

NATIONAL MUSEUM OPENS ON 10TH ANNIVERSARY, WAR PHOTOS SEEN

Vientiane PASASON in Lao 5 Dec 85 p 2

[Excerpt] The opening of the first national museum in Vientiane Capital was one of the important events. This museum has recorded various historic events and reflects the brave struggle and revolutionary heritage of the Lao people and the hill tribe peoples under the capable leadership of the LPRP.

From the museum's left door, we enter the first room, which presents pictures, antiques and a Lao map that shows the beautiful, rich, and fertile country of Laos, which is filled with natural resources and peoples of all ethnic groups with beautiful cultures.

In the first room on the second floor is a photo exhibition that shows the barbaric rule of French colonization from 1893 to 1945. The French abused and exploited our people heavily. In this same room, we will see the fruits of the victory of the Lao people and each ethnic people under the leadership of the Indochinese Communist Party in fighting French colonization up to the proclamation of independence to the world on 12 October 1945. The second room shows the accomplishments of our peoples during the 9 continuous years of struggle against French colonization, which came back to attack us again during 1945-1954. In the third, fourth, fifth, sixth and seventh rooms there are pictures about liberating the country from the American imperialists, protecting, constructing and strengthening the liberated zones, and the struggle against the American imperialists' war of expansion.

Coming down to the first floor again, in the first room we see pictures and various things after national liberation. For example, accomplishments and improvements of the dictatorship of the proletariat, preparations to develop socialism in grassroot areas, the accomplishments of the state's 3-year plan (1978-1980), the third general congress of the LPRP, and successes in the defense and security tasks during the past 10 years. In the second room is an exhibition on agriculture and animal husbandry, the changeover to agricultural coops, the expansion of the irrigation system, forestry, electricity, terrestrial resources, light industries, communications and transport and the post office. The third room shows the accomplishments of cadres, cadre training in cultural ideology, education, and public health. There we will see 10-year statistics about the 98.75 percent elimination of illiteracy among the hill tribe peoples, compared to the 95 percent illiteracy of the population prior to liberation.

12597/8309
CSO: 4206/148

BRIEFS

PHOUMI VONGVICHIT MEETS PEOPLE--Vientiane, 2 March (KPL)--The Council of Ministers Vice Chairman Phoumi Vongvichit, during his recent cordial talk with the population of the northern Luang Prabang Province, called upon the people to concentrate the party and state policy. The vice chairman congratulated the local population for their active countribution to the national safeguarding and socialist building work. [Text] [Vientiane KPL in English 0902 GMT 2 Mar 86] /12640

PHOUMI VONGVICHIT ACCEPTS INDONESIAN AID--Vientiane, 2 March (OANA-KPL)--The Government of the Republic of Indonesia presented yesterday childrens garments worth 10,000 U.S. dollars to the Lao Government. Phoumi Vongvichit vice-chairman of the Council of Ministers, received the aid from the Indonesian ambassador here B.S. Kusumonegoro. [Text] [Vientiane KPL in English 0904 GMT 2 Mar 86] /12640

WELFARE CADRES MEET WITH OFFICIAL--Vientiane, 3 March (OANA-KPL)--Efforts to render material and spiritual support to the handicapped, orphans, victims of natural calamities and other citizens who have sacrificed themselves devoted [as received] for national defence and development including retired personnel should further be increased. This was stated by Phoumi Vongvichit, Politburo member of the LPRP CC and vice-chairman of the Council of Ministers, at his meetings here Saturday with staff of the State Committee for Social Security and War Veterans. He also pointed out some important tasks to be carried out in the future in order to guarantee a state of well-being of the above-mentioned people. He praised that past activities of the committee in improving the social welfare of the people in accordance with the political lines of the party and government. Touching on the regional and world situation, the vice-chairman called on the social workers to be aware of the colluded U.S.--international reaction dark schemes detrimentally [as received] to the Lao revolutionary cause and to the solidarity of the three Indochinese countries. [Text] [Vientiane KPL in English 0908 GMT 3 Mar 86] /12640

ESCAP DELEGATION RECEIVED--Vientiane, 4 March (OANA-KPL)--Phoumi Vongvichit, vice-chairman of the Council of Ministers received here this morning a visiting delegation of ESCAP led by its secretary, Kibria. The vice-chairman informed his guest about achievements in various fields obtained by the Lao people during the past 10 years. The [two] sides also discussed ways to improve the cooperation between the Lao PDR and the ESCAP. The delegation arrived here on 3 March where it had talks with Souban Salitthilat, deputy foreign minister of the LAO PDR. [Text] [Vientiane KPL in English 0907 GMT 4 March 86] /12640

ESCAP OFFICIAL'S VISIT--Vientiane, 6 Mar (OANA-KPL)--"The growing success on economic development in the Lao PRD testifies to the facts that you have a good governmental leadership," S.A.M. Kibria, ESCAP exeuctive secretary, told KPL correspondent here this morning. In connection with Lao-ESCAP relations, S.A.M. Kibria appreciated the existing close cooperation between the two sides. He also expressed satisfaction over his meeting today with Lao president, Souphanouvong, and other officials. "We plan to increase our assistance, and specialized training for Lao officials to the Lao PDR," the executive secretary said. With regard to the socioeconomic situation, the ESCAP delegation's head witnessed the great success in the electric sector upon his visit to Nam Ngum dam. "I note that much progress has achieved in various domains within a short span of times from 1982, when my /as received/ brief visit here, up to now," he underlined. He also expected that more hydropower dams will be constructed here in the future. S.A.M. Kibria left here this afternoon, concluding his 3-day visit. /Text/ /Vientiane KPL in English 0908 GMT 6 Mar 86 BK/ 12228

BATTLES WITH 'ENEMY' IN 1985--To materialize the line on all-people national defense and public security, various militia-guerrilla and self-defense units throughout the country strictly exercised their proletarian dictatorship role in countering all forms of sabotage activities carried out by bandits, agents, and those having ill intentions toward the country in 1985. During this period, they engaged in a total of 309 battles--233 operations conducted with the cooperation of regular forces and 76 independent operations. They put out of action 1,488 of the enemy--407 killed, 290 wounded, 130 captured, and 661 forced to surrender. They also dismantled 1,077 bandit nests; rehabilitated 576 bandits; took back 4,883 people; and capture 216 weapons of various types, 3,824 rounds of ammunition, 83 grenades, 2 radio receivers, 3 cameras, 3 radio transmitters, 1 mine detector, and a quantity of other equipment. As a result, the enemy's activiites have been restricted. Wherever bandits are active, they have been drastically and duly suppressed by the militia-guerrilla and self-defense units. /Text/ /Vientiane Domestic Service in Lao 0430 GMT 4 Mar 86 BK/ 12228

SRV-AIDED TIRE PLANT--The first tire plant under the Industry, Handicrafts and Forestry Section of Vientiane Municipality was tested recently. Ho Chi Minh City and Vientiane Capital cooperated in building it under a plan of cooperation with and aid from the SRV. Comrade Bounsi, the administrator of the plant, stated that this plant has been rebuilt since March 1985. It has produced 48 tires for motorcycles and bicycles and 100 front and rear tires for cars. The tires will go on the market in 1986. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 16 Dec 85 p A 8] 12597/8309

KHAMMOUAN ROAD REPAIR--From October to the present, people from different areas have joined with the public works experts of Yommalat District, Khammouan Province, to repair successfully many old and rundown roads, namely, 10 km of roads in Yommalat Canton, starting from Thot Port to the Nam Phou River; 20 km of roads in Mouang Luang Canton from the Nam Phou River to Vang Iam Village; and also in Nong Poung, Na Sok, Ban Phai, Ban Bo, and Sombouane Cantons; 70 km of Route 12 was repaired from the border of Yommalat District to Boualapha District. These road repairs aim to improve communications and the distribution and exchange of goods in various locales and to contribute to the defense task and endless development of socialism. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 17 Dec 85 p A5] 12597/8309

CSO: 4206/48

MALAYSIA

KUALA LUMPUR ON ROLE OF ASEAN, UPCOMING ISSUES

BK071113 Kuala Lumpur International Service in English 0800 GMT 7 Mar 86

/Station commentary/

/Text/ There is much mention of an ASEAN summit, and the Malaysian foreign minister, Tengku Ahmad Rithauddeen, has confirmed that Malaysia will participate, provided the other member states are agreeable toward holding the meeting. The foreign minister has also agreed to Manila as the venue for the gathering, as it is Manila's turn to hold the event in accordance with the principle of rotation.

ASEAN foreign ministers meet annually, and evey 2 months there are gatherings of other ministers, and officials to coordinate policies on a variety of fields. An ASEAN summit, however, is a totally different kind of meeting. It is meant to bring together prime ministers and presidents. The ASEAN heads of government met for the first time in Bali, Indonesia in February 1976. That gathering was prompted by a sense of political urgency deriving largely from the communist victory in Vietnam and the economic concern following the increases in the world market prices of oil. The Bali summit was an important milestone in the quest of ASEAN for greater regional solidarity. The leaders saw the association as their best means of strengthening national and regional resilience. In fact, from the Bali summit onwards, ASEAN sought to demonstrate its political solidarity and visibly to strengthen its economic cooperation. With these aims in mind, a treaty of amity and cooperation in Southeast Asia was signed on 24 February 1976. The agreement to establish an ASEAN secretariat was another achievement.

After the Bali summit, the ASEAN heads of government met only once. That meeting took place in Kuala Lumpur in August 1977. At the Kuala Lumpur summit, the first concerted attempt was made to exercise a degree of external trading advantage in favor of ASEAN goods. Until the Kuala Lumpur summit, Japan had tended to treat its less powerful neighbors more or less in a subordinate role. However, in Kuala Lumpur, a very significant change of policy was announced, namely the Fukuda doctrine. The spirit of that declaration or doctrine conveyed the pledge that Japan would regard itself as no more than an equal partner of ASEAN and as a member country in its dealing with them.

A lot of changes have taken place both within ASEAN and in its vicinity since the Kuala Lumpur summit of 1977. It is the Malaysian foreign minister's perception that the proposed Manila summit must focus its attention on the serious problems precipitated by a steep fall in the prices of most raw material exported by the members states. An international seminar on commodities and problems of marketing them will be held in the near future. A special meeting of foreign ministers of ASEAN will take place in April, and in the words of Tengku Ahmad Rithauddeen: the ASEAN summit will be very much on the agenda. Malaysia can be confidently expected to play a prominent role in the ASEAN summit, for we place priority on ASEAN in our external relations policy.

/12228
CSO: 4200/789

RADIO COMMENTARY ON TIES WITH AUSTRALIA

BK060924 Kuala Lumpur International Service in English 0800 GMT 6 Mar 86

/Station commentary/

/Text/ The Australian external affairs minister, Mr Bill Hayden, is now in Malaysia for a 3-day official visit. He is calling at a few Asian capitals on a factfinding as well as goodwill tour. Relations between Malaysia and Australia can be characterized as longstanding, extensive, and substantial. Contacts between the two nations encompass not only trade and aid matters but also defense cooperation, student training, tourism, refugee resettlement, and capital investment. Over the years, Malaysia and Australia have come together under formal and informal arrangement for cooperation, coordination, and consulation on regional, bilateral, as well as wider issues. Australia regards Malaysia as its foremost contact point in ASEAN.

Relations are generally good, to quote an official publication of the Australian external Affairs Ministry, although Malaysia would like to see steps being taken to redress the current trade imbalance in Australia's favor. Malaysian exporters also feel they have good reasons to be (?careful) of the level of protection which the Australian Government now provides for Australian industries. That has been a vital factor which affects Malaysia's access to the Australian market. In the financial year 1981-82, Australian exports to Malaysia amounted to Australian $438 million, while Australian imports from Malaysia amounted to Australian $188 million. Malaysia is about Australia's 10th largest export market and is rated about 25th as the source of Australian imports. Australia in recent years has been the third largest source in overseas investments in Malaysia. With the recent provision of even more attractive incentives for investors establishing or expanding their enterprises in Malaysia, more Australian capital should be forthcoming. Malaysia looks forward to a more dynamic state of trade and investments from Australia.

As far as diplomatic and political matters are concerned, Mr Bill Hayden's visit will lead to frank exchanges of viewpoints on Kampuchea. The progress achieved in the development of Australia's relations with ASEAN has been one of the most significant aspects of Australian diplomacy in the 2 decades. The ASEAN states now occupy a markedly more important or prominent place in Australia's views of the world than that which they occupied until the 1960's. The development of Australia's sense of national identity contributed to a growing recognition that Australia's future lay with the Southeast Asian region and the development of a distinct role here. Combined with this, the emergence of ASEAN presented Australia with the need to develop sound relations with this important grouping of neighboring states. Support for ASEAN has inevitably become a central feature of Australia's foreign policy, and this is a phenomenon that Malaysia welcomes, Australia enjoys the status of a dialogue partner with ASEAN. Malaysia welcomes the opportunity to engage in wide-ranging talks with Mr Bill Hayden and views his visit as another indication of cordial relations between Malaysia and Australia.

/12228
CSO: 4200/789

AUSTRALIA'S HAYDEN ON SOLUTION TO KAMPUCHEA ISSUE

BK070752 Kuala Lumpur BERNAMA in English 0748 GMT 7 Mar 86

/Text/ Kuala Lumpur, 7 Mar (BERNAMA)--Vietnam's credibility is being tested in the search for a political solution to the Kampuchean issue, Australian Foreign Minister Bill Hayden said Friday.

He added that though Vietnam's tone had been moderate in recent months, the process towards a political solution to the 7-year-old issue had yet to gather momentum.

"Time is running short," he told newsmen at the Kuala Lumpur International Airport before leaving for Hong Kong after a 3-day visit to Malaysia.

He said Vietnam had to be forthright in coming out with proposals for a political solution, adding that "for Vietnam, it is a test of credibility."

On the Philippines, Hayden said Australia would continue with its aid of about A$16 million (about 11 million U.S. dollars) a year, a sum that had been allocated for the past 20 years.

After a 2-day stay in Hong Kong, Hayden is scheduled to visit Manila and would be the first foreign dignitary to visit the Philippines since President Corazon Aquino came into power late last month.

Hayden, who is in the course of an Asia-Pacific tour, had earlier visited Indonesia and Singapore.

Hayden said he was glad that he had managed to spend a day in Kota Baharu, capital of the northeastern state of Kelantan and home town of Foreign Minister Tengku Ahmad Rithauddeen during this visit to Malaysia. A planned trip there last year had to be cancelled.

While here, he called on Prime Minister Dr Mahathir Mohamad and had discussions on bilateral regional, international and economic matters with Tengku Rithauddeen.

He described his visit as an "illustration of the personal relationship he had with leaders here."

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CSO: 4200/789

MALAYSIA

FURTHER ON BOMB BLASTS IN SABAH CAPITAL

HK120554 Hong Kong AFP in English 0536 GMT 12 Mar 86

[Text] Kuala Lumpur, March 12 (AFP)--At least four people suffered minor injuries when seven bombs exploded Wednesday in Kota Kinabalu, capital of the troubled east Malaysian state of Sabahk police said.

Schools, shops, and government offices shut down and police threw a tight security cordon around the town when the explosions, which occurred at around 8:45 a.m. (0045 GMT), sent people rushing home.

"The whole town looks like a war zone. There are riot police everywhere and people have been told to stay indoors," an eyewitness said in a telephone interview with AFP.

Three of the bombs exploded in normally busy shopping complexes, one in the central market and three at petrol stations.

The explosions fuelled rumours that the federal government was about to impose emergency rule in the oil-and-timber rich east Malaysian state whose Christian-dominated government is facing a strong challenge from Moslem groups.

State Communications Minister Chan Tet appealed to Prime Minister Mahathir Mohamad not to opt for emergency rule, but said the federal government should step in to restore calm.

The Parti Bersatu Sabah (PBS) of Catholic Chief Minister Joseph Pairin Kitingan is not a member of Dr Mahathir's 11-party National Front coalition.

The blasts occurred as the high court sat to hear arguments on a writ to stop Mr Kitingan from holding fresh elections 10 months after his PBS won bitterly contested state polls.

An independent assemblyman, said to be aligned with the Moslem-based United Sabah National Organisation (USNO), is seeking a declaration that Mr Kitingan cannot advise State Governor Adnan Robert to dissolve the 54-member assembly because his appointment as chief minister is being challenged in court.

USNO leader Mustapaha Harun filed a suit shortly after the April state polls claiming that he was the legal chief minister because Mr Adnan had sworn him into office before Mr Kitingan, although the PBS had scored a narrow win.

He claimed that Mr Adnan had no power to revoke his appointment because a chief minister, once appointed, could only be removed by the state assembly. The high court is due to rule on the suit on April 15.

The hearing for the writ to stop the elections continued Wednesday despite the blasts but a large crowd estimated at some 1,000 people had gathered outside the court house. Many carried banners saying "Kitingan has not right to dissolve the assembly."

Police chased and caught a man shortly after one of the blasts, a police spokesman said.

/6662
CSO: 4200/797

PRC DELEGATION CHIEF ON TRADE PROSPECTS

BK090821 Kuala Lumpur BERNAMA in English 0658 GMT 9 Mar 86

[Text] Pulau Pinang, March 9 (BERNAMA)--Trade between Malaysia and China has registered an increase in recent years, vice-chairman of the China Council for the Promotion of International Trade (CCPIT) Guo Dongpo said Sunday. Except for some isolated cases, entrepreneurs from both countries did not encounter much red tape when they conducted direct trading activities, he told reporters on arrival at the Bayan Lepas airport in this northern state.

Guo is leading a 22-member trade promotion delegation for a one-day visit here. They will be visiting a few factories at the free trade zone in Perai and Bayan Lepas townships later in the day.

On the trade balance, Guo said both countries had on the average an equal share of the trade although it had been in China's favour in recent years.

He hoped Prime Minister Dr. Mahathir Mohamed's visit to China last November and the present visit by the delegation would lead to a more favourable trade balance for Malaysia next year.

Guo said although the main purpose of the delegation's visit was to promote trade between both countries they had concluded a few small business deals and were in the process of negotiating several more.

He said China had been importing primary commodities such as palm oil and rubber from Malaysia in recent years and hoped that the trade in this field would be further expanded.

On hand to welcome the delegation was Pulau Pinang Chinese Chamber of Commerce President Saw Hun Eng and Pulau Pinang Malay Chamber of Commerce President Syed Abbas al-Habshee.

/6662
CSO: 4200/797

MAHATHIR DENIES DEALINGS IN LOAN SCANDAL

BK111427 Kuala Lumpur Domestic Service in English 1130 GMT 11 Mar 86

[Text] The prime minister, Datuk Sri Dr Mahathir Mohamed, has said that he had no dealings whatsoever with George Tan as prime minister, as an UMNO [United Malays National Organization] officer, or in his personal capacity. He said this in a letter appendixed to a white paper on the GMF [Bumiputera Malaysia Finance] loan scandal that was tabled in the Dewan Rakyat [House of Representatives] today. The letter was addressed to Bank Bumiputera Malaysia Berhad Executive Chairman Tan Sri Haji Bakir Ismail. Datuk Sri Dr Mahathir also said UMNO had never received any contributions in any form from George Tan, BMF officials, or companies linked to them.

Datuk Sri Dr Mahathir, whose name is mentioned in the report of the BMF committee of inquiry, told Tan Sri Haji Bakir that it was normal for senior government officials and government-owned company executives to meet him. He said officially or unofficially they briefed him on the works and projects that came under their care. Datuk Sri Dr Mahathir said normally such briefings were general in nature and he sometimes issued directives to the officers. But he was not involved in the actual implementation of those directives.

The deputy prime minister, Datuk Musa Hitam, in his letter to Tan Sri Haji Bakir, said he was acquainted with Dr Rais Saniman, who had met him on several occasions. Datuk Musa said Dr Rais, in his capacity as an officer of Bank Bumiputera responsible for arranging syndicated loans for the Malaysian Government, had met him several times. In these meetings, he said he had to allow Dr Rais to brief him as deputy prime minister on the progress of arrangements [words indistinct] loans. Dr Musa said that in one of these meetings Dr Rais had mentioned and tried to elaborate on matters pertaining to his private business in Hong Kong.

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CSO: 4200/797

GOVERNMENT TO SEND PALM OIL EXPERT TO PRC 'SOON'

BK101245 Kuala Lumpur BERNAMA in English 1000 GMT 10 Mar 86

[Text] Ipoh, Malaysia, March 10 (OANA-BERNAMA)--The Malaysian Government will send an expert on palm oil to China soon to help the republic in the processing of palm oil to various primary food products including margarine, Deputy Primary Industries Minister Megat Junid Megat Ayob said.

Opening a branch meeting of the United Malays National Organisation (UMNO), dominant party of the ruling Barisan Nasional (National Front) coalition, in Kampung Gajah, about 30 km from this capital of the northern Perak state Sunday, he said that the expert would probably be in China for a month.

Megat Junid said the move was in line with efforts to encourage the use of palm oil in foreign markets, especially China where attempts were being made to intensify the production of soap and instant noodles using palm oil.

China, he added, imported about 80,000 tonnes of palm oil annually from Malaysia.

He said that China and several countries visited by the current trade delegation headed by Primary Industries Minister Paul Leong were expected to increase the export of Malaysian palm oil.

After visiting Hong Kong, Japan and South Korea, the delegation would probably head for the United States and Europe, he added.

On the fall in the oil palm price, Megat Junid said that this resulted from various factors including the recent reduction of palm oil imports by the United States and India.

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CSO: 4200/797

MALAYSIA

PETRONAS CHAIRMAN ON FALL OF WORLD OIL PRICES

BK081029 Kuala Lumpur BERNAMA in English 1010 GMT 8 Mar 86

/Article by Azman Ujang/

/Text/ Kuala Lumpur, 8 Mar (BERNAMA)--The current unprecedented fall in world oil prices is a most worrying development, Malaysia's National Petroleum Corp. (Petronas) Chairman Raja Mohar Badiozaman said Saturday.

"We are worried about our oil and gas revenues because as things are going now in the world oil market, we just do not know what is to come next," he said.

Raja Mohar told BERNAMA that the U.S.$4 per barrel cut in the price of Petronas crude since 1 February had resulted in Petronas earning U.S.$1 million (M$2.5 million) less daily.

On an annual basis, this would mean a revenue fall of U.S.$365 million.

Finance Minister Daim Zainuddin said Friday the spot price of Malaysian crude has fallen to about U.S.$16 a barrel and it is not clear how low the decline will go.

The price of Malaysia's Tapis blend fell from U.S.$28.65 in February 1985 to U.S.$23.90 in February this year, but since then has dropped another U.S.$7.

"Of course we are very worried about where the market is heading for because we just don't know when the price slide is going to end," Raja Mohar said.

Asked if Malaysia's current production of 510,000 barrels of oil will be trimmed following calls by OPEC to producers to reduce the market glut, he said the output level was set by the government and will not be adjusted unless directed by the government.

He also said that despite the market oversupply, Petronas faces no marketing problems for its oil which is of higher grade.

"As long as our price is right, we foresee no problems in selling our oil," Raja Mohar added.

The Petronas chairman also said efforts to maintain petroleum revenue is being compounded by the fact that the price of Malaysia's liquefied natural gas (LNG) is also expected to be adjusted downward.

He said officials of Malaysia LNG Sdn Bhd (MLNG) are now in Japan for talks on a revision of the pricing formula for LNG following changes in the "basket" of crude oil used to calculate LNG's oil equivalent.

The entire Malaysian LNG production is exported to Japan.

Japan's offtake from MLNG is to be increased to 6 million tons a year from April, up from 3.8 million tons in 1985-86.

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CSO: 4200/789

BRIEFS

BMF FUNDS INQUIRY REPORT--The final report on the BMF [Bumiputera Malaysia Finance] loan scandal reveals that a free-flowing fund from the BMF contributed to the rapid growth of the Carrian group. The report of a 3-man committee of inquiry into the scandal was made public in Kuala Lumpur today. It said that without the BMF, there might not have been the Carrian group. The committee was commissioned to probe the wrongdoings of the BMF which resulted in a loss of about 2.5 billion ringgit and probably the debts of a Malaysian banker as well. In giving details to the free flow of funds, the committee contends that criminal acts such as bribery and corruption as well as the cover-up on BMF massive loans could have been committed. It also revealed a concerted plan by certain personalities to make use of Bank Bumiputera Malaysia Berhad funds to profit from the property boom in Hong Kong at that time. [Text] [Kuala Lumpur International Service in English 0800 GMT 11 Mar 86 BK] /6662

COMMODITY PRODUCTION--Kuala Lumpur, Feb 26 (BERNAMA)--Malaysia accounts for 60 per cent of the world's palm oil production and 43 per cent of rubber, Land and Regional Development Minister Adib Adam said. He said the achievement was due in part to the success of land schemes where these crops were grown. [Text] [Kuala Lumpur BERNAMA in English 0615 GMT 26 Feb 86 BK] /6662

CSO: 4200/797

AQUINO CONSOLIDATES RULE; ENRILE, RAMOS IN POWER STRUGGLE

HK090426 Hong Kong AFP in English 0416 GMT 9 Mar 86

/Article by Teodoro Benigno/

/Text/ Manila, 9 Mar (AFP)--In 11 days, President Corazon Aquino has stormed the judiciary, looks to a power struggle in the military to swing in her favor, and would now drop a legal guillotine on political holdouts, analysts say.

The 20-year-old fortress built by overthrown President Ferdinand Marcos is now coming apart, and the last remnants--political warlords, party loyalists and provincial chieftains--are expected to hoist a while flag soon. The Marcos judiciary fell this week when members of the Supreme Court and the intermediate appellate court handed in their resignations, together with the members of the highly unpopular commission on elections.

The 250,000-strong armed forces, according to analysts, are now engaged in a power struggle between Defense Minister Juan Ponce Enrile and armed forces Chief Gen Fidel Ramos. The betting is that General Ramos, the Philippines' most respected soldier and graduate of the U.S. West Point Academy, will eventually win because his power base of hard-core military professionals far exceeds that of the minister.

Mr Enrile's disadvantage is that he is a civilian, with "old boy" links to Mr Marcos whom he and General Ramos served faithfully until a near shootout with former forces chief Gen Fabian Ver's group led to their 22 February mutiny, pundits add.

Though a cousin of ex-President Marcos, General Ramos somehow escaped popular revulsion for the military, which struck General Ver, who fled with Mr Marcos 25 February for Honolulu.

The appointment of another West Pointer, Gen Rafael Ileto as deputy defense minister bolsters the Ramos group, it is said, since General Ileto, though long retired, is "a true soldier" widely admired by the officers corps.

Mr Enrile's military power base consists largely of young reformist junior officers who spearheaded the "reform the armed forces movement" which cropped up March 1985 during Philippine Military Academy graduation rites.

Analysts however expect no violence in this struggle for power, simply a slow erosion of Mr Enrile's base. His prestige reached an all-time high when he and General Ramos rebelled and "people's power" came to their rescue.

General Ramos and General Ileto are widely expected to give the military's full support to Mrs Aquino, whose other power anchor now is that without her seeking it, the U.S. Government presently consider her "America's darling."

The expected coup de grace for the political holdouts like majority held by the KBL--Mr Marcos's party--in the National Assembly, is its dissolution.

Mrs Aquino came to power through a bloodless people's rebellion and her "revolutionary government," according to constitutional experts, has the power to rule by decree if this should be necessary.

Dissolution of the National Assembly, where some of the most hated followers of Mr Marcos are posted, is expected to get wide popular approval. So are her plans to draw up a new constitution within /word indistinct/ days and submit this to a plebiscite.

The alleged long list of crimes and irregularities committed by the Marcos regime is beginning to unravel and about 40 crates brought by Mr Marcos to Honolulu are expected by U.S. diplomats here to yield "explosive" material.

U.S. intelligence and security services are now reportedly going thorugh piles of highly classified documents contained in these crates and their contents if disclosed could hit a lot of big names still here, it is said.

Mrs Aquino, 53, alleged she was cheated of what many claim was a landslide victory in the 7 February snap polls. She nonetheless declared herself the winner even as Mr Marcos had himself proclaimed victor by the National Assembly 15 February.

Her millions of supporters flooded the streets at the behest of Roman Catholic Radio Veritas particlarly after Jaime Cardinalk Sin, archbishop of Manila, asked for public support of the Enrile Ramos mutiny.

The church in Asia's only Christian country is President Aquino's main pillar of popular support. Outside of the military, the church is the best-organized and possibly the most credible force here, analysts say.

With the Marcos judiciary in a shambles, the military going for her even more strongly, the KBL-dominated National Assembly facing a legal guillotine, a new constitution in the offing, Mrs Aquino can move further afield, it is said.

This means anchoring her own political party, presumably the Laban Ng Bayan all over the countryside, as expected billions of dollars in promised U.S., Japan and other aid comes in to secure the country's economic footing.

/12228
CSO: 4200/792

POLL SHOWS MAJORITY SATISFIED WITH AQUINO APPOINTMENTS

HK080352 Hong Kong AFP in English 0311 GMT 8 Mar 86

/Text/ Manila, 8 Mar (AFP)--The new Philippine military chief emerged as the most popular figure in President Corazon Aquino's government, according to a government think-tank poll published here Saturday, while the Central Bank chief, was the least-liked.

Overall, 73 percent of those surveyed by the Development Academy of the Philippines (DAP) said they were satisfied with Mrs Aquino's appointees to high government posts, while only 7 percent said they were not.

Gen Fidel Ramos, who last week led reformist military officers in a civilian-backed revolt which toppled the 20-year regime of strongman Ferdinand Marcos and installed the Aquino government, was liked by 91 percent while only 4 percent disliked him.

Former Senator Jovito Salonga, head of a commission which was given the task of trying to recover billions of dollars in money and property allegedly stashed away by the Marcos family abroad, had 88 percent voting in his favor.

Defense Minister Juan Ponce Enrile, coleader of the uprising and among three high-ranking holdovers in the Marcos government, was liked by 82 percent.

Central Bank Governor Jose Fernandez, who ordered the padlocking of the country's largest savings bank--the Banco Filipino--while he held the same post in the Marcos government was disliked by 28 percent, while obtaining 59 percent approval rating.

The DAP said the survey was conducted by telephone 1 and 2 March among 400 randomly picked from over half a million of the population of Metropolitan Manila, which it said constituted 15 percent of its 4 million voters.

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CSO: 4200/792

DAILY EXPRESS EDITORIAL ON REVOLUTIONARY GOVERNMENT

HK061449 Manila PHILIPPINES DAILY EXPRESS in English 6 Mar 86 p 4

/Editorial: "The Message Is Clear"/

/Text/ The message coming from the alter egos of President Aquino is clear. The government is revolutionary and it is accountable only to the people which swept her to the presidency, ending in a historic show of "people's power," the 20-year regime of Ferdinand Marcos.

Because it is revolutionary, the Constitution is no longer in effect. Therefore, the government branches established by the Constitution are also no longer in effect.

Thus, it is expected that the judiciary will soon yield to the new president. In fact, four more members of the Supreme Court, including Chief Justice Ramon Aquino, vacated their offices yesterday, along with other justices in the other courts, including the Sandiganbayan. Thus, it is also being made clear that the Aquino government does not need what the KBL leaders are proposing to do: to legitimize or "constitutionalize" the takeover by the new president. There is simply no need for the Batasan by the revolutionary government.

Since a de facto dissolution of the Supreme Court and the legislature is expected to be a fait accompli soon, it is incumbent upon the new governors to speak up, and let the people know what to expect during the interregnum, how long the revolutionary character of the government is expected to last, and what guidelines to observe while the revolutionary is in existence.

There is no question here that the government is legal and its acts are binding on all citizens. But the sooner we have the principle of separation of powers back with us, a principle which has served as the cornerstone of democracy for the past 8 decades, and the sooner judges and justices are once again protected by the judicial security of tenure, the better it will be for all of us. That status quo is rife with uncertainties. And the expected interregnum is rife with possibilities--many of them suggesting chaos and the one-man rule which the past administration was accused of.

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CSO: 4200/792

PAPER REPORTS MARCOS' MARTIAL LAW PLANS

HK071429 Manila BUSINESS TODAY in English 7 Mar 86 pp 1, 7

/Article by Jose De Vera/

/Text/ Now it can be told.

Martial law would have been reimposed were it not for the people power that rallied behind Defense Minister Juan Ponce Enrile and Gen Fidel V. Ramos when they staged a revolt and declared their support for President Corazon Aquino.

The reimposition was to have taken place shortly after ousted President Marcos had taken his oath as the re-elected president.

This scenario was spelled out in a secret document, "Oplan Everlasting," which described the preparations for "destabilizing" the government to pave the way for reimposing martial rule.

Under the plan, some 700 civilians and soldiers who underwent training in Camp Capinpin in Tanay as early as 25 January were to be turned loose in Metro Manila.

The plan said they would all be armed with high-powered weapons and in civilian clothes, to be augmented by members of the Presidential Security Command.

Their mission was to kidnap and assassinate prominent members of the opposition and the ruling party as well as ranking military and police officers in the name of the communist New People's Army.

Along with these would be the bombing of buildings and business establishments, and sabotage and destruction of government installations.

When this chaotic atmosphere was already established in Metro Manila, troops would move in and there would be "street fighting," giving Marcos an excuse to reimpose martial law, according to the plan.

But the defection of Enrile and Ramos caught Marcos and Gen Fabian C. Ver, then AFP /Armed Forces of the Philippines/ chief of staff, flatfooted.

Ver was attending the wedding anniversary in Villamor Air Base of their air force chief Maj Gen Vicente M. Piccio Jr, when he was told of the defection. Taken aback, Ver immediately contacted Marcos.

The "neutralizer" in the unfolding drama was Brig Gen Pedro Balbanero, head of the Military Police Brigade whose headquarters is just behind the Defense Ministry building.

Balbanero had influence on the reformists, being a fellow graduate of the Philippine Military Academy /PMA/ as well as president of the PMA Alumni Association.

On the 1st day of the revolt, armored and artillery units of the Philippine Marines sneaked into the Logistics Command (Logcom) compound, ready to shell the nearby Defense Ministry building where Enrile and Ramos were holed in.

Inside Camp Aguinaldo, another Marine contingent, part of the camp security, had also prepared to attack.

What they were waiting for was the president's go-signal through Ver to "smash and destroy" the rebels.

But with Balbanero acting as go-between Enrile and Marcos were able to communicate via telephone and they agreed that no troop movement would take place.

Then came the critical hour. Balbanero succeeded in persuading the Marine contingent inside Camp Aquinaldo to hold their fire. So with the Marines at the Logcom compound.

The Marines at Logcom were told by Balbanero that if they fired at the camp, including Camp Crame, there would be much bloodshed, with PMA graduates fighting their fellow /word indistinct/ and Marines against Marines.

By that time also, people power was already at its peak along Epifanio de los Santos Avenue especially between Camp Crame and Camp Aguinaldo.

The result was a standstill and the order to attack from Malacanang never came.

Then came the defection from loyalists which started as a trickle and ended in a flood. It was all over.

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CSO: 4200/792

PHILIPPINES

FINANCE MINISTER DISPOSES OF PERSONAL ASSETS

HK070530 Manila BUSINESS DAY in English 5 Mar 86 p 6

/Article by Noel D. De Luna/

/Text/ Minister of Finance Jaime Ongpin has started disposing of his personal assets to avoid possible conflict of interest between his government position and his role in the private corporate sector, BUSINESS DAY sources said.

Yesterday cross sales of 1.92 million EEI shares valued at P2.98 million; 144,000 Benguet Corp. shares worth P6.12 million; and then another 39,400 Benguet Corp. shares for P1.65 million were executed at the Manila Stock Exchange.

The executing broker was Wolff & Co., Inc. which is chaired by Luis Ongpin Sr, Jaime's father.

Stockbrokers speculated that the shares that moved could have been Jaime's because the executing price was nearly equal the companies' book value per share.

EEI, which has been rising dramatically for the past weeks and is currently being traded at P1.62 per share in the market, dropped to P1.56 per share on the open market. The transaction price for the special block sale, however, was also P1.56 per share indicating that the exchange was done along reasonable prices. EEI's book value per share as of 1984 was estimated at P1.62 per share. It could go up higher for 1985 since the construction company made a turnaround and generated a net income of P600,000.

Benguet Corp. is currently trading at P18 to P20 per share in the free market. Yesterday's negotiated price was P42 and P42.50 per share, a reflection more of Benguet Corp.'s book value, estimated by brokers at P40 per share.

No one could figure out who bought those shares, however.

Stockbrokers could only speculate that those shares could either be bought by the company itself and reverted to its treasury stock; or the shares were placed in a blind trust account.

Although no disclosure statement could be found in the Securities and Exchange Commission /SEC/ on the prearranged deal, sources in the SEC doubted whether

Ongpin "would place those stocks in a blind trust considering his honesty. It's more probable that he really sold out and cut off ties with Benguet and EEI."

While a blind trust would technically mean that the beneficial owner could not make any decision at all on the performance of his assets, the country's laws regarding such trusts are vague. And, BUSINESS DAY sources in the SEC said, "considering the personal ties that Filipinos have, it's still possible that the beneficial owner could interfere in the disposition of his assets even as legally the beneficial owner could not do so."

BUSINESS DAY sources in Benguet Corp., meanwhile, made no comment on the movement of the shares at the exchange saying only that "we'll issue a statement tomorrow (today) and the only thing we can say is that Ongpin will have to sever his ties with Benguet and EEI."

No mention has been made, however, of Ongpin's holdings in Stanford Microsystems Inc. The transfer of his shares in SMI though could be a little bit expensive and problematic compared to his transfer of Benguet Corp. and EEI because trading on Stanford Microsystems has temporarily been suspended.

SMI has gone to the SEC to ask for a suspension of debt payments and has asked to be placed under a management committee or rehabilitation receiver.

SMI remains listed on the exchanges and as such transfers of shares would only be subject to a ¼ or 1 percent transaction tax rather than on the expensive capital gains tax which ranges from 10 percent to 20 percent of capital gains.

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CSO: 4200/792

COLUMNIST QUESTIONS FERNANDEZ' CHARGE AGAINST VIRATA

HK070703 Manila BUSINESS DAY in English 6 Mar 86 p 4

/"Bottom Line" column by Gaby Manalac: "The Inside Man"/

/Text/ Now that Ferdinand Marcos is no longer around to protect and cover up for his boys, the time has arrived for hand washing and finger pointing. It is just as well because when cohorts begin blaming one another, the truth is bound to surface.

Central Bank /CB/ Governor Jose B. Fernandez has started the ball rolling. He points to the Finance Ministry, ergo Cesar Virata, as the culprit responsible for the billions of pesos that were created to support the Marcos election campaign.

According to Fernandez, he refused to give the national government further advances in the amount of P2.8 billion during the campaign because it was already overdrawn. So, Fernandez said, the Finance Ministry resorted to issuing and cashing Treasury warrants through some banks, presumably in amounts running up to billions, as a means of raising instant cash.

The procedure usually is for the Finance Ministry to cash these warrants through a bank which normally assumes that they are properly funded. The bank then turns around and gets cash for those warrants from the CB. That way, the bank is able to immediately replenish its coffers and to stay liquid, especially if the amounts are substantial.

If what Fernandez says is accurate, then Virata was guilty of issuing and cashing bouncing checks because it was evident that the national government at the time was already bankrupt bedause even the CB refused to extend it any more advances. But the banks that cashed them must also have been willing accomplices because there was no way they could rationalize that the government was solvent at the time.

Were all the banks in on this? I doubt it, probably only government institutions because private banks would surely not have looked too kindly on checks from an obviously bankrupt client.

Does this mean then that because of his hand washing and finger pointing Fernandez came out of this scam lily-white? I hardly think so. On the record, he may have put his foot down on direct CB advances to the national government because it no longer had any deposits with the CB. That would have made him some sort of a Marcosian nemesis.

On the other hand and by his own statement, Fernandez admitted that he had to keep making good on the warrants otherwise the banking system might collapse. Since most private banks were not involved, he probably equated the system with a few government financial institutions.

In other words, while Fernandez refused to give direct advances to the national government, he accepted bouncing checks instead. He therefore would like to to appear that he had no responsibility whatsoever for the creation of billions of pesos used in the Marcos campaign.

As far as he was concerned, it was the Finance Ministry that issued the bouncing warrants which the CB had to make good as a matter of routine for the sake of the banking industry. Frankly, I think they are one and the same thing--accommodation beyond credit limits.

If we were talking about insignificant amounts. I imagine that the Finance Ministry might have been able to get away with one or two bad checks. But since billions were involved, I certainly cannot understand why Fernandez should not have taken the proper steps to stop such a farce.

He claims he had the gumption to refuse further advances to the government. Would it not have been as easy to inform the banks that the CB would no longer entertain treasury warrants?

And then to claim that it was entirely the doing of the Finance Ministry is hard to swallow. He even claimed that he did not know what amounts were involved. This is hardly credible because the banks involved must have very quickly turned in those warrants to the CB since none of them could have carried billions in withdrawals over even the shortest period of time. This meant that the CB received them and recorded them, amounts and all. So how can Fernandez not know the exact amounts?

I do not think, therefore, that Fernandez can wash his hands off this incredible scam by simply pointing a finger at Virata. If Virata indeed manufactured bouncing checks, he could only have succeeded in encashing these warrants if he had an inside man at the CB

Guess who?

/12228
CSO: 4200/792

PRESIDENTIAL YACHT HIATUS, RETURN PROMPTS CONCERN

HK070521 Hong Kong SOUTH CHINA MORNING POST in English 7 Mar 86 pp 1, 13

/Article by Sarah Monks/

/Excerpt/ The missing Philippine presidential yacht, Ang Pangulo, made a surprise return to Manila yesterday amid continued suspicion by Aquino government officials that it had shipped crates of Marcos family valuables to Hong Kong.

In a telephone call to Manila, the SCM POST broke the news of the 2,727-ton vessel's return to the head of the newly-appointed Presidential Commission on Good Government, Mr Jovito Salonga.

He said that according to his information the yacht had been to Hong Kong and had left the territory on Saturday.

However, it was confirmed yesterday there was no record in any branch of the Hong Kong Government of the vessel's entry, legal or illegal, to local waters in the past few days.

The SCM POST spoke to Manila residents who confirmed that Ang Pangulo had reappeared in Manila Bay and was anchored a few hundred meters from Manila Yacht Club, close to Philippine Coast Guard headquarters.

A Reuters report last night, quoting Philippine Navy officials, said Ang Pangulo had been in a government shipyard at Cavite, 40 km south of Manila, for "safekeeping" since the rebellion which toppled the Marcos Government.

Mr Salonga told the SCM POST he would send investigators to Cavite to determine whether the oceangoing ship had been there throughout the period of its apparent disappearance.

The five-member Commission on Good Government was appointed by President Corazon Aquino to recover "ill-gotten" wealth of the Marcos Administration and to take over all companies owned by the Marcos family and close associates.

Conflicting reports say Ang Pangulo, which is 78-meters long, steamed out of Manila Bay late at night on or about Monday, 24 February.

Mr Salonga's team is also expected to investigate whether any "cargo" was offloaded or transshipped at Cavite.

A legal expert on the Presidential Commission, Dr Pedro Yap, said Ang Pangulo had been seen moving up the Pasig River, which runs alongside Malacanang Palace, around the time of the Marcos helicopter evacuation.

He believes that smaller boats ferried crates to the presidential yacht of valuables that the former first family were unable to get out of the Philippines on their flight from the country last week.

Dr Yap said the new administration wanted the boat back because it is the property of the Philippine Government.

More importantly, he said, they want to know what cargo it may have carried out and where it may have been taken.

Until yesterday, the commission's trail had gone cold on the whereabouts of Ang Pangulo.

"We checked Guam. Nothing there. We asked the Americans to help," said Dr Yap.

While the search was on, Dr Yap said he would also explore the possibility that Ang Pangulo may have headed for countries friendly with the former rulers, particularly with Mrs Imelda Marcos.

He intended to pursue inquiries with China and the Soviet Union through available diplomatic channels.

Sources in Hong Kong yesterday did not rule out the possibility that--presupposing Ang Pangulo made a mysterious trip from the Philippines--it could have come close to Hong Kong without entering the territory's waters.

However, rough seas and high winds around that time would have made any rendezvous with other vessels relatively hazardous--especially if a valuable cargo was involved.

In the past couple of days, REUTER reports, U.S. customs inspectors from Alaska to California and Hawaii have been on the lookout for the deposed president's yacht.

American intelligence reports indicated the yacht had set sail from the Philippines only hours after the Marcos family and their associates left on board a U.S. Air Force transport for Guam, then Hawaii on 26 February.

U.S. coastal authorities had been alerted to inform Washington if the ship was spotted.

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CSO: 4200/792

BUSINESS DAY INTERVIEWS SISON PRIOR TO RELEASE

HK070056 Manila BUSINESS DAY in English 6 Mar 86 p 6

/Article by Ramon R. Isberto; passages within slantlines published in italics/

/Text/ /The Military Security Command (MSC) stockade deep in the heart of Fort Bonifacio is one of the least accessible places in the country, said one MP (Military Police) sergeant manning the army camp's Forbes Park gate last Monday. In his 10 years in the service, he hasn't set foot inside the MSC compound, he said. Security at the detention center that housed martyred Senator Benigno Aquino Jr for 7 years is "tough."/

/Things have changed somewhat in the early days of the regime of Ninoy's popular widow. Over the past few days, platoons of journalists--local and foreign--have trekked to and actually gotten inside the MSC compound. The subject of their interest is Jose Ma. Sison, the alleged founding chairman of the Communist Party of the Philippines /CPP/. Sison, along with fellow camp Crame detainee Bernabe Buscayno and Camp Bagong Diwa detainee Ruben Guevarra, are the "hardcore" cases whose ultimate fate is still being debated by the new government./

/One enters the MSC compound by first waiting at its gate for an MSC staff car to fetch you. That day, it was Maj Theodore White who was taking on the chauffer's duties. BUSINESS DAY found Sison inside a conference room winding up an interview with two women journalists. The group was later joined by three foreign journalists who formed the next chain in the relay system of interviews that Sison has had to endure while waiting for what he hopes will his early release. The following are excerpts from that conversation./

On His Expectations For Possible Release

I'm just guessing. And my guess is as good as yours. Wednesday (5 March) as you know is when the committee to release detainees is scheduled to discuss our cases. Possibly Wednesday afternoon or Thursday.

"I've become more confident about our prospects after President Aquino issued Proclamation No 1 last Sunday, which repealed Proclamation Nos 2045 and 2045-A of Marcos. I'm pleased over that proclamation because it affects me favorably on three points. First, it restored the privilege of the writ of habeas corpus. Implicitly, it had the effect of dissolving the holdover military commissions

(Special Military Commission No 1 and Military Commission No 25) trying the subversion and rebellion cases against me. Third, it wipes out those two cases against me. You see, those holdover military commissions, which were carried over from the martial law period, are supposed to have jurisdiction over the cases against me. Those cases cannot be brought elsewhere because then my right against double jeopardy would be violated."

Plans If Released

"I would like to go back to writing and teaching. In UP /the University of the Philippines/. /Siyempre, first choice yan/ /that is always the first choice/. I would like idea subjects. May be, /aampunin ako ng bang departments./ /Maybe I'll be adopted by the other departments./ I understand that the political science and philosophy departments are very interesting. You know the most political people in UP did not come from the political science department. They always came from the English department, especially when it came to carrying progressive ideas. You have I.P. Soliongco, Joe Lansang, S.P. Lopez--they were English majors. I don't know how it is now. Usually, the best students in the political science department would just get ideas from American textbooks. You know, excelling at UP sometimes involves just being good at echoing the books. I have four kids. And what I am most happy about is that I am going to see them all, particularly my three elder children. My eldest, a girl, is now 26."

On the 'People-power Revolution'

"I am very prudent. I don't call the happening a revolution, it was kind of a /mestizo/ /mixed blood/. It was a combination of military revolt and popular uprising. One analyst may even dare to call it a semicoup. It cannot be, at the moment, called a coup in the fullest sense. The military leaders did not get power for themselves, so far. They did remove the incumbent president but only with the decisive support of the people. No one side can claim complete responsibility for the rise of Mrs. Aquino to power. Military revolt would not have been enough. If there were no people's support, the Marcos loyalists would have smashed the group at (Camp) Crame. If it were a purely unarmed people's uprising I don't think Marcos would abdicate.

"An unarmed uprising may be possible, but what about the cost in blood? It is difficult to assume the responsibility. Not even the revolutionaries would assume the responsibility of having so many people killed. Because, you know, in such a fight, it is not necessarily a good group of military men who would benefit. It's a good thing that there was a military group which, because they were fighting for their own survival, immediately announced that they accepted civilian supremacy.

"When I read the Catholic Bishops' pastoral letter that the (Marcos) regime has no moral basis, no legitimacy, /sabi ko na/ /as I said/ the objective basis for a people's uprising was already there. You can bring in a lot of people. But there is no guarantee that in the chain of events a civilian government with a democratic orientation would arise. /Baka mamaya ang lalabas lang/ /what might turn out/ is what I would call a gorilla government, no democratic pretentions whatsoever, just a military junta."

Is the New Regime a Revolutionary Government?

"When I use the word revolution I refer to the total change of a social system in favor of another. A 'revolutionary government,' however, is a technical term being employed. Sometimes, it is called a 'provisional government.' By force of circumstances or by the circumstances of force, the authority is established and it can overcome pre-established institutions for the time being until that authority can normalize the situation.

"In this case, you know the Batasang Pambansa was on vacation and Marcos had been proclaimed by this Batasan. So, there can be no immediate compliance with the de facto Constitution.

"The situation is still unsettled. Substantial gains have been made in advancing democracy in terms of formal rights and processes. But putting the substance into these would involve more work and more unity among the popular forces."

On President Aquino's Moves

"She is moving intelligently in trying to improve her position. Mrs. Aquino is very smart. (Defense Minister Juan Ponce) Enrile and (Gen Fidel) Ramos, I heard, wanted her to go to Camp Crame on the 2nd day. She refused. It was her way of saying that she just cannot be in anybody's bed. And that she was in a position to call off the people anytime. That was a subtle way of showing that the people were the decisive force in ousting Marcos."

On Aquino's Call to 'People Power'

"It is extremely necessary for Mrs Aquino to maintain and develop people's power because circumstances are such that she is inheriting almost wholly the military machinery left by Mr Marcos. It might even be said that if there were no people's power she would have nothing against the objective fact that Minister Enrile and General Ramos have become very powerful, more powerful than they ever were under the Marcos administration. Minister Enrile also controls the balance within the Batasan--the so-called nonpartisan group that makes the majority to proclaim Cory Aquino as President. People's power is extremely necessary to Mrs Aquino to strengthen the presidency.

"There are also the grave problems left by Marcos. These are problems of social structure that were aggravated by the fascist dictatorship. She has to have the strong support of the people in order to be secure in her position, in order to achieve stability for the sake of achieving progress or just licking the problems left by Marcos.

"Mrs Aquino must secure control of the civil bureaucracy and the military. Then she can attend to such problems as the overlarge foreign debt and maintain the economy. I don't think there is going to be a large positive growth in the economy. I think she should be satisfied if she can maintain the economy or reduce the deterioration. I personally would not demand too much."

On Reorganizing the Civilian Government

"There's one good thing about the Aquino regime. It tries to be democratic right away. So that, if you pose objections to what she wants, you can do so. At the same time, that can be a source of weakness. Everything has two contradictory aspects. It is a matter of balancing the two.

"I think (Local Governments Minister) Aquilino Pimentel has already been criticized for moving too fast in trying to replace local officials. If I remember correctly, Marcos--despite the shock effect of martial law--did not immediately replace all mayors. He rode on them. Even the Americans, when they came to conquer the Philippines, relied immediately on the existing municipal leaders. Pimentel seems to be in a hurry to make a wholesale replacement of local mayors. There is going to be /barikadas/ /rallies/ all over the country.

"I think they should pull back. Anyway, the message has already been put across: (the local mayors) can be removed. If I were to think from their vewipoint, they should remove only the most notorious mayors and try to win over the others. Then, when local elections are held, you toss the ball. May the best jumper get the ball.

"As for the Batasan, I would have to respect their viewpoint. It appears that as much as possible they would want Mrs Aquino to be declared by the Batasan in accordance with the de facto Constitution. The ambiguity which carries the threat of asserting the power of the revolutionary government all the way is a good threat to the members of the Batasan so that they cannot really use the KBL majority to prevent Mrs Aquino from insisting on the presidency. These are practical people. Politicians in this country are very flexible. They belong basically to the elite and can easily understand each other.

"Mrs Aquino is not one who will threaten you with arrest as Marcos did. But a president can get his or her way in many ways. Marcos used to have two weapons to make other politicians fall in line. The threat of arrest and the threat of tax investigation by the BIR /Bureau of Internal Revenue/. A good politician is not crude."

The Attitude of the CPP and NPA

"I'm just guessing. But I think they're watching developments. The new government has certain positive aspects. But there are still fundamental problems to solve. It's not enough to have democratic rights and processes reocgnized and being promoted as far as possible. How will you put substance into that democracy?

"The lasting support of the people can be maintained only if you tackle their fundamental problems. That would mean national sovereignty and independence in the field of the economy, politics, culture and foreign policy and genuine land reform. If you look at the concrete circumstances of the country, the majority of the people are peasants. Their problem must be the main problem of democracy. Emancipating the peasant majority of the people is to democratize the people."

On U.S. Policy Towards the Philippines

"The structure of policymaking in the United States is complex and the reality in the Philippines is complex. In any case, I think they must learn to respect the national sovereignty of the Filipino people and their desire to solve so many problems left by Marcos. One may be tempted to say that the ultra-Right rascals of the Reagan Administration would like to pass on to Mrs Aquino tasks for which Marcos was finally proven to be unable to carry out, such as submitting the country further to economic policy dictates by the IMF, pushing a counterinsurgency campaign and a rabid anticommunist policy and extending the U.S. bases beyond 1991.

"There are very conspicuous differences between Mr Marcos and Mrs Aquino. On the question of the IMF-WB, Marcos just followed and kept on begging. Mrs Aquino says that certain positive examples provided by Argentina may be followed in getting better terms from foreign creditors. Mrs Aquino is open to something more than what (Finance Minister Jaime) Ongpin pronounces. Ongpin has a strong bias for a plantation economy. I think someone has to complement Jimmy Ongpin. It is a sad thing simply to shift from Bobby to Jimmy and have a simplistic notion of free enterprise for a semicolonial and semifeudal country.

"On counterinsurgency, Marcos thought he could just hunt down and kill communists. Mrs Aquino is trying to give peace a chance by fostering the democratic situation and offering conditions for revolutionaries to come to terms with the new government.

"I've read reports of CPP and NDF /National Democratic Front/ reactions and there have been certain statements quite appreciative of the Aquino government. I think they should consider seriously the proposals made by Mrs Aquino."

On a Possible Comeback by Marcos

"Yes, there is still a possibility that the Marcos group may stage a comeback, which is a good reason for the people to maintain their vigilance and continue the democratic struggle. Marcos is in a better position now than the forces of the present government ever were when they were still in the opposition. He still has loyal people in the civilian bureaucracy and the military. And going by press reports, he still has a lot of money--as much as $10 billion." "Marcos may use these resources not for himself director or his family, but possible for a surrogate in staging a comeback."

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CSO: 4200/792

PHILIPPINES

PARAMILITARY FORCES ON NEGROS TO KEEP ARMS

HK041352 Hong Kong AFP in English 1344 GMT 4 Mar 86

/Text/ Bacolod, Philippines, 4 Mar (AFP)--Paramilitary forces in sugar-rich Negros island will not be disarmed because it would pave the way for a communist takeover, the island's military commander said Tuesday.

Col Isigani De Los Santos said in a press statement that the disarming of the Civilian Home Defense Force (CHDF) would create a vacuum which the regular army could not fill.

The colonel, who is embroiled in a controversy over a statement he made saying the CHDF had not committed any abuses in the past, also denied that there were any private armies on the island and said all firearms issued by the military had been accounted for.

A spokesman for the Bayan /Bagong Alyansang Makabayan--New People's Alliance/ alliance political party, which lost 21 people killed when the CHDF opened fire in what has become known as the Escalante massacre last September, told AGENCE FRANCE-PRESSE Tuesday they planned to challenge Colonel De Los Santos' statement.

A group of moderate planters said they planned to call for his ouster.

Meanwhile the provincial commander of Negros Occidental Col Andreas Superable said he had received feelers from rebels wanting to come down from the hills, but that he felt pessimistic about the prospect of them laying down their arms.

Colonel Superable, who is also the target of a petition calling for his ouster because of his alleged involvement in the killing of a city police chief, said that military headquarters in Manila had called for an inventory of all firearms in the region and the recovery of those without licenses.

President Corazon Aquino has called for a ceasefire with the estimated 16,000 to 18,000 strong communist New People's Army (NPA), but to date the NPA have reacted warily, saying that negotiations may be possible in the future, but they are not ready to lay down their arms.

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CSO: 4200/792

BRIEFS

PC OFFICERS RELIEVED OF POSTS--Camp Olivas, Pampanga--Several ranking Constabulary officers in Central Luzon, including all the 12 in Tarlac, have been relieved of their respective commands following the relief of Brig Gen Isidoro de Guzman, commander of the Central Luzon Regional Unified Command (RUC). Camp Olivas authorities listed those relieved in Tarlac as Col Rolando Roque, provincial commander, Maj Napoleon Castro, Maj Antonio Baquiran, Capts Romeo Yaranon, Ruben Rodriguez, Tito Samson, Fortunato Nundalian, Charlie Valdez, Fernando Robles, Florence Magundayao, Efren Fuensalila and Fredilito Alegre. De Guzman was relieved by Col Plaridel Abaya as commander of the RUC-3 and Col Lorenzo Mateo as PC-INP /Philippine Constabulary-integrated National Police/ regional commander. Both commands were held by De Guzman. Aside from Roque, the other provincial commanders who were relieved were Col Jose Andaya of Bwtaan, Col Tranquilino Aspiras of Zambales and Lt Col Cecilio Pinilia of Aurora. The newly-designated provincial commanders are Lt Col Constancio Lasaten for Aurora, Maj Rodrigo Baloyo for Tarlac, Maj Florentino Jumarabon for Zambales and Pinilia for Bataan. /Text/ /Manila BUSINESS DAY in English 7 Mar 86 p 11 HK/ 12228

NAKASONE'S INVITATION TO AQUINO--President Aquino is expected to meet U.S. President Ronald Reagan and other leaders of industrialized countries in May, if she accepts the invitation of Japanese Prime Minister Yasuhiro Nakasone to visit Tokyo and take part in the summit meeting of the seven industrialized countries. Nakasone said he would be very pleased if Mrs Aquino accepts the invitation and that he would introduce her to leaders of the participating countries, including Britain, Canada, France, Italy, the United States, West Germany, and Japan. The summit will take place from 4 to 6 May. /Text/ /Manila Far East Broadcasting Company in Tagalog 1000 GMT 6 Mar 86 HK/ 12228

MAJOR STRIKES UNRESOLVED--Three major strikes affecting vital sectors of the economy remain unresolved. The strike-bound firms are the Philippine Long-distance Telephone Co. /PLDT/, the Atlas Consolidated Mining and Development Corp., and (?San Terrano). The walkout at the PLDT has badly affected local calls since Monday. Calls have been delayed due to the absence of personnel manning the central operating stations in Manila and Cebu. The local PLDT also reported it takes 10 minutes before a long-distance call can be placed. /Text/ /Manila Far East Broadcasting Company in English 2300 GMT 6 Mar 86 HK/ 12228

VISAYAN MILITARY COUNCIL--The military will convene the regional crisis management council in Cebu City to assess the current peace and order situation in the central Visayas. Col Jose Santos, acting commander of regional unified command 7, said a special study group has been formed to study the crime situation in Cebu. According to Santos, the assessment is necessary for the military's counterinsurgency and anticrime campaign. He said he plans to augment PC /Philippine Constabulary/ troopers with the Integrated National Police in order to strengthen the campaign against crime in the cities and rural areas in the region. /Text/ /Quezon City DZFM Radio in English 0200 GMT 6 Mar 86 HK/ 12228

SIX NPA KILLED--Tagum, Davao del Norte--Six still unidentified New People's Army (NPA) men were killed in an encounter with Scout Rangers who broke up a regional conference of NPA leaders in Barangay Magdung, this town, last Sunday. A soldier was also killed in the running gunbattle that started Sunday morning. He was identified as Cpl Bernardod Fran, 27. Col Marcelo Blando, group Panther commander of the 1st Scout Ranger regiment, said about 100 rebels were involved in the encounter with Rangers who were supported by helicopter gunships. He said the gunbattle was preceded by a series of encounters in the outskirts of neighboring Mato Town in the last 3 days. Another three rebels were killed in those encounters. /Text/ /Manila Bulletin Today in English 4 Mar 86 p 6 HK/ 12228

FOUR KILLED IN NPA ATTACK--Lallo, Cagayan--Two military men and two civilians were killed while four others were wounded when a passenger jeep bound for Barangay Logac, Bicud, Lallo was ambushed by unidentified armed men believed to be members of the New People's Army (NPA) last Monday. Lt Col Jovencio Mendoza, executive officer of the 17th Infantry Battalion, identified the fatalities as Pfc Bernardo Ramos and Pat Archie Israel, 12, of Barangay Logac, Lallo, and Domingo Caburao, 15, of San Pedro, Lasam. The four wounded civilians were identified as Boy Pernada, 34, Naty Ursula, 24, midwife, Agustine Cachola, 29, and Merlita Abiog, a teacher, all are residents of this town. They were taken to Aparri emergency hospital for treatment. Lt Crecencio Ferrer, intelligence officer of the 17th Infantry Battalion, said the soldiers were on their way to Bicud detachment to join the operations against the dissidents when the were ambushed. /Text/ /Manila BULLETIN TODAY in English 6 Mar 86 p 7 HK/ 12228

CSO: 4200/792

SINGAPORE

LEE KUAN YEW SENDS LETTER TO PHILPPINES' ENRILE

BK111223 Singapore THE STRAITS TIMES in English 11 Mar 86 p 1

[Text] Mr Lee Kuan Yew has sent a personal letter to the Filipino Defense Minister, Mr Juan Ponce Enrile, praising him for his courage and patriotism in helping Mrs Corazon Aquino to become the new president of the Philippines.

"You have changed the course of history," Mr Lee said in the letter published in the latest issue of ASIAWEEK magazine. It was part of an article from the Philippines on latest developments in that country.

The Prime Minister said Mr Enrile and the chief of the Filipino Armed Forces, General Fidel Ramos, deserved the gratitude of Filipinos and all the people of ASEAN.

Mr Enrile and Gen Ramos led a military rebellion which eventually forced President Ferdinand Marcos and his family to flee the country. Mr Marcos had threatened to use force against the rebels, who made their move on 22 February.

Mr Lee was deeply concerned about the fate of Mr Enrile and his associates during the recent crisis. In his letter addressed to "Dear Juan", he said: "I held my breath when I heard the news over the BBC at 11 pm on Saturday, 22 February. They broadcast parts of what you and Ramos said. It was riveting. I awoke at 6 am on Sunday to listen to the BBC news, relieved that you (Enrile) were still alive. I listened every hour on the hour. With every passing hour, your peril lessened."

Mr Lee recalled that ASEAN issued a statement on Sunday night at 10 pm simultaneously in all the capitals of the regional grouping. It called for a non-violent solution and expressed fears of a civil war. The statement was delayed for several hours because some form of words had to be redrafted and agreed upon.

"By Monday morning, the tide was on your side," Mr Lee told Mr Enrile. "Danger was no longer imminent. By Tuesday morning it was over, unless Ver (Gen Fabian Ver, the former armed forces chief) launched a suicidal defiant assault. Together with Gen Ramos, you deserve the gratitude of all Filipinos, and all the people of ASEAN."

"The crisis was high drama. I watched you, Ramos and your small, but brave, force of men with awe and apprehension. You knew the risks. You have my unbounded admiration for this act of patriotism and courage. The outcome has given a great opportunity for your new president to put things right."

ASIAWEEK described Mr Lee's letter as unusual. But it was one, the magazine said, which left no doubt about Mr Lee's feelings during President Marcos's last hours in power.

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SINGAPORE

SINGAPORE CHANGES BUDGET STYLE, PLEDGES LOW TAXES

HK081002 Hong Kong AFP in English 0923 GMT 8 Mar 86

/Article by John Thomas/

/Text/ Singapore, 8 Mar (AFP)--The Singapore Government broke its tradition of surplus budgeting by presenting annual estimates on Friday without the usual tax increases and pledging to keep levies low for as long as possible.

But in presenting to Parliament his budget proposals for the fiscal year starting in April, Finance Minister Richard Hu warned that another break with tradition--indirect taxation--may be in the offing.

His proposals envisage a real deficit of more than 3.22 billion Singapore dollars (1.5 billion U.S.), to be covered by reserves and domestic loans.

"Being an open economy, dependent mainly on our human resources, we must never allow our tax burden to be so high as to become a disincentive to work and enterprise," expalined Mr Hu.

The genuinely painless budget, seen as out of character for a government that scoffs at anything that smacks of "state welfarism," was hailed by doyens of the business community, who felt that views had been taken into account for the first time.

The change stems from a review of government policy undertaken in the face of a 1.8 percent contraction of the economy in 1985, compared to 8.2 percent growth in 1984, government sources and economic analysts said.

The estimated revenue of 18.84 billion dollars (8.97 billion U.S.), against expenditure of 22.06 billion dollars (10.5 billion U.S.), reflects the government's lower income expectations in the light of Singapore's downturn in business, they said.

"The government realizes it has to let up on taxation and go on for some time on the reserves it built up to help business if it is to be able to realize more taxes again," said a businessman who welcomed the budget.

With Singapore suffering its worst slump since independence in 1965, official assets grew by 3.9 billion dollars (1.9 billion U.S.) to 43 billion dollars (20.47 billion U.S.) last year and foreign reserves rose by 4.3 billion dollars (2.06 billion U.S.) to 27.08 billion dollars (12.9 billion U.S.).

Mr Hu proposed lowering the upper limit of both personal income and corporate tax by 7 percent to 33 percent from the next calendar year.

The tax breaks were a sweetener to help offset the 12 percent pay cut slapped on Singaporeans from April, which was accompanied by an exhortation to forego wage rises until the economic situation improved.

However, the government has made clear it will not continue indefinitely to let Singaporeans enjoy reduced personal income tax and corporate tax and low public utility rates and surcharges.

These taxes account for a third of the government's annual revenue, and the cuts announced would reduce government income by more than 1 billion dollars (476 million U.S.), according to unofficial estimates.

"This government is committed to avoid getting into a permanent budget deficit," Mr Hu warned.

"As direct taxes are lowered to meet competition, a point may be reached when consumption taxes will have to be brought in to provide a compensatory source of revenue."

He said Finance Ministry officials were working on the establishment of the machinery for the collection of the proposed indirect levey, which officials have said would be in the form of sales tax on a range on "nonessential" consumer goods, most of which are imported.

Barring a few items like alcohol, tobacco, petrol and motor vehicles--which are punishingly taxed--consumer goods are sold tax-free here in line with the government's advocacy of free trade, and to maintain Singapore's reputation as a shopping center.

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CSO: 4200/790

BRIEFS

SINGAPORE'S ECONOMIC GROWTH DECLINES--Singapore, 7 Mar (AFP)--The economy of Singapore contracted by 1.8 percent last year, compared with a growth rate of 8.2 percent in 1984, government statistics indicated. An economic survey of Singapore, prepared by the Trade and Industry Ministry and released Thursday, said the downturn brought a sharp decline in employment, for a 15-year record jobless rate of 4.9 percent at the end of the year. Both domestic and external demand declined during the year, industrial output fell sharply, and investment commitments dropped to a 5-year low of 1.1 billion dollars (510 million U.S.), the report said. The government, which is presenting its budget for the new fiscal year Friday, has embarked on a course of amendments to past policies aimed at getting the economy out of its doldrums. Government officials have forecast zero growth at worst for 1986, and a resumption of positive growth the following year. /Text/ /Hong Kong AFP in English 0439 GMT 7 Mar 86 HK/ 12228

CSO: 4200/790

SITTHI DISCUSSES THAI-LAO RELATIONS

BK050139 Bangkok THE NATION in English 5 Mar 86 p 3

/Text/ Though Thailand is apparently moving to improve its relations with Laos, Foreign Minister Sitthi Sawetsila said yesterday that exchange of officials or official talks between the two countries will not take place for the time being.

Sitthi, who is scheduled to leave for a factfinding trip to the Northeast, said that Thailand has invited the Laotian Government to dispatch officials to discuss mutual problems, including the review of list of strategic products. "But the Vientiane Government has refused," the deputy premier said.

While there has not been any exchange of dialogue, Sitthi stressed that the two neighboring countries should not adopt a hostile attitude toward each other. He also said that he asked Thai Ambassador to Vientiane Chaiya Chindawong to draw up a list of products requested by the Laotian Government to pass the border; they include several types of fuel. A Laotian Embassy official in Bangkok told THE NATION yesterday that the Thai Government had already approved approximately 20 million liters of fuel to be transported to Laos in the first half of this year. "The Laotian Government has submitted the request to the Thai Government for consideration for the second half of the year," the official said.

Sitthi's factfinding trip to Udon Thani and Nong Khai including a meeting in Khon Kaen with senior provincial officials from 17 northeastern provinces, comes after the Joint Private/Public Consultative Committee recommended recently that Thailand should relax restrictions on its trade with Vientiane. The bilateral trade between the two countries has been on the decline since the outbreak of the dispute over three village along the Thai-Lao broder opposite Uttaradit. Both sides have claimed that villages of Klang, Mai and Sawang belong to them.

Sitthi will be accompanied by Sqd Ldr Prasong Sunsiri, secretary general of the National Security Council and other senior officials, including Asa Sarasin, permanent secretary for Foreign Affairs and M.R. Thep Thewakun, director general of Political Affairs.

An informed source said that the main issue will be the security along the Thai-Lao border. "The fact that Prasong is going also shows that the security aspect will be up for discussion with senior provincial officials," the source said.

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THAILAND

TRADE UNION CONFEDERATION PRESIDENT RE-ELECTED

BK100117 Bangkok THE NATION in English 10 Mar 86 p 2

/Text/ The Thai Trade Unions Confederation (TTUC), one of the country's largest labor organizations, will continue to fight for better treatment of workers by both the government and employers, its president said yesterday.

Phaisan Thawatchainan, who was re-elected president for the second term yesterday, also called for more political participation by the labor.

He said that workers should have more political awareness and should play more role in elections in the future.

Phaisan, who overwhelmingly beat two other candidates yesterday to win the presidency of the labor body for another 2-year term, also said that it is also his policy to prevent interference in TTUC from outside.

The other two who also ran for the presidency fo TTUC are Ekkachai Ekhankamon and Niwat Nakhasuwan, both outgoing vice presidents of the organization.

Phaisan received a total of 44 votes while Ekkachai and Niwat received 29 and 2 votes respectively.

It was the second time that Phaisan was elected president of the labor organization after it was founded in 1983 when Phaisan broke away from the Labor Congress of Thailand.

Thirty-nine out of 44 candidates were yesterday also elected members of the new executive committee which has a 2-year term.

Under the regulations of TTUC, Phaisan will appoint the secretary general of the organization.

Ekkachai said he had no intention to challenge Phaisan's presidency but decided to run in the election to promote democracy in the organization.

Ekkachai said he wanted to see wider cooperation between TTUC and other labor organizations.

Phaisan, 49, currently works at the Metropolitical Electricity Authority.

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THAILAND

COLUMNIST NOTES PUBLIC VIEW OF PARLIAMENTARIANS

Bangkok DAO SIAM in Thai 4 Feb 86 p 5

[Tapaya column: "Public Opinion of Members of Parliament"]

[Excerpts] Public Opinion of Members of Parliament!!

The Members of Parliament should know the opinions of the people. Begin with Mr Prarom Buasamlee, chairman of the Central Committee of the Farmers of Thailand, do you know what he says? His comments are interesting indeed.

"It's better that I don't answer. There are some things we expect Members of Parliament to do and they can do them, but there are some things which are difficult to accomplish because Members of Parliament have different areas of expertise. We have to choose. If we measure the quality of Members of Parliament in terms of academic degrees, they are better than in the old days, but if we measure in terms of capability, they are so-so. Some are good."

Mr Rachan Rodkedkul, 49-year-old businessman, said,

"It is directly beneficial to me to choose Members of Parliament, at least the Member of Parliament whom I know well and chose may use his influence to gain admission for my children to the schools that the rich and noble children attend. Although the chances are few, they are better than none."

The opinion of the former Supreme Commander of the Armed Forces, General Saiyut Koedphon:

"I think most people do not trust Members of Parliament who are elected from the political parties. We can see this from the election of the Governor of the Bangkok Metropolitan Administration, Major General Chamlong Srimuang was elected. This shows that people have no confidence in the political parties and do not believe that they are able to solve the nation's problems."

A lawyer, Mr Chaisit Titisud gave his opinions:

"There is no way that our current Members of Parliament can solve the country's problems because to do so, there must be systems and principles for change. At a minimum, they have to know what the real problems are. The present

Members of Parliament can only amend some laws. I think, in the House of Representatives, they are play-acting more than anything. Political parties do nothing other than think about how to join the government."

The well-known Mr Paisan Thavatchaiananan gave his opinion about Members of Parliament:

"If we talk about the quality of Members of Parliament, it has increased, there are fewer bad apples. But there isn't much for them to do. Members of Parliament receive about 10,000 baht in salary per month. I think it is a waste of budgetary funds because there is not much time for work. I think if parliament stayed in session longer, the farmers would not have to come to Bangkok because things could be discussed in Parliament."

Do Members of Parliament who read this have any feelings? Or are they paralyzed!!!

13217/8309
CSO: 4207/169

THAILAND

VOFA VIEWS U.S. 'FIREFINDER' RADAR SYSTEM

BK071212 Bangkok Voice of Free Asia in English 1500 GMT 6 Mar 86

/"Article": "Thailand Prepares to Protect Her Sovereignty"/

/Text/ During the current dry season which has brought about usual threat and territorial violations from some indisposed foreign countries, Thailand is readily prepared to protect her sovereignty by seeking appropriate external military arrangement. Informed sources said that Thailand will soon receive sophisticated mobile radars called Counter Battery Radars, or Firefinders, from the United States. This equipment can pinpoint enemy guns before the shells they have fired have landed. A number of these radars will be deployed as a defensive measure along the Thai-Kampuchean border.

The sources reportedly said that Thailand had ordered these Firefinders last year and that they would be delivered within the next 2 months. The radars can calculate from the trajectory of shells fired exactly where enemy guns are located enabling Thai troops to fire back if necessary before the shells land. By using the new radars, Thai troops will be able to accurately pinpoint enemy artillery positions before the first wave of shells hit their targets. The Firefinders can detect every type of high trajectory rounds in the field used in this part of the world. The computerized equipment can also detect mortars as well as artillery rounds fired from 105-mm, 130-mm, 150-mm, 155-mm, 175-mm and 8-inch guns. This type of radar, initially developed in the 1950's, was first used effectively in Lebanon. Thailand will be the first country in the Southeast Asian region to have the Firefinders.

The new mobile radars will considerably reduce funds spent by the Thai military on artillery ammunition and will boost the country's defense capability. An informed source declined to say how many mobile radars will come in, or how much the radars cost, saying only that they are very sophisticated and quite expensive. Despite the incurred expenses, the military will, however, save a great deal in ammunition cost. An informed source could not say how much Thailand will save in ammunition, but noted that one 155-mm round could cost between $300 to $750.

If Thai troops can knock out enemy guns with just a few rounds by using the radars, the military will save a lot of money. Pinpointing the area where enemy artillery shells are being fired from is not easy, and hundreds of rounds could be fired before enemy gun emplacements are hit. Another advantage of the Firefinders is that they do not have to be positioned near the combat zone in order to be effective. They can be positioned well back in Thai territory and can be used in different types of terrain.

Thai personnel will need specialized training to use this computerized equipment, but it should not take too long for Thai troops to become competent in using them. The Firefinders are complicated pieces of equipment, but learning how to use them is like learning how to type.

An informed source noted that the sale of the Firefinders to Thailand showed how much importance the United States placed on Thai security, adding that the radars were being diverted from their earlier planned delivery to U.S. troops overseas.

Furthermore, 200 antitank missiles, launchers, and equipment had already been delivered to Thailand from the United States. The equipment arrived in Thailand in late January and was also diverted from planned delivery to the U.S. military bases.

Meanwhile, for Thailand's long-term defensive preparation, an arrangement between Thailand and the United States to establish war reserve stockpile, or WRS, in Thailand has reached the final stage as Commander in Chief of the U.S. Pacific Adm Ronald Hays disclosed recently. He did not reveal the timetable for the final detail of the WRS but added the ongoing dialogue and activities between the two countries on the issue are intensive. It is approaching a stage where many of these decisions as to specifically what WRS is going to entail is in the offing.

An informed source said that Thailand is hopeful that the agreement on WRS will be signed during next month's visit by the U.S. defense secretary, Caspar Weinberger. Earlier, Thai Supreme Commander Gen Athit Kamlang-ek told reporters that officials of the three armed forces were working out details over the location and other aspects of the stockpile. Admiral Hays said that such arrangement between the United States and Thailand is important as far as Thailand security posture and ability to fight a war is concerned. He said that hopefully, if one does all things that will prepare to fight a war, one will never have to fight a war.

During his 5-day stay in Thailand, Admiral Hays also held talks with senior armed forces officials, including Prime Minister Prem Tinsulanon, Supreme Commander Athit Kamlang-ek, Air Force Commander in Chief Praphan Thupatemi, Deputy Defense Minister Phaniang Kantarat, and Army Chief of Staff Gen Chawalit Yongchaiyut. Hays described the conversations with the Thai military leaders as frank and candid.

/12228
CSO: 4200/793

COLUMNIST FAVORS FORMATION OF MILITARY PARTY

Bangkok BAN MUANG in Thai 1 Feb 86 p 5

[Ta Mo Lo writes: "The Face of the Military Party"]

[Excerpt] I want the military to set up a political party.

We must accept the reality that since Thailand changed political systems on 24 June 1932, the military has had a role in politics either directly or indirectly. As long as our politics are still in the adolescent stage as they are, there is no way to prohibit the military from participating in politics.

For the past 20-30 years, there has been no way to separate the military from politics. It is not wise to prohibit the military from playing a role in the political system.

So it is in economic policy. Academics go in one direction, but for the politician it is different because they are in different positions, they have different points of view. This causes arguments.

Military men and politicians have different points of view towards politics. If we can put them together and let them exchange information and ideas, we would not have to be on alert [for a coup] so often.

Therefore, I fully support the idea of letting the military set up political parties as one [of] their rights as citizens.

When the military set up political parties according to the law, they can pass political policy and administration through the political parties in accordance with the methods of democracy without being mysterious and doing something outside of the system.

I believe that military parties would be more politically effective than civilian parties because they have a better foundation and capability for managing people as they are more experienced in doing so.

Military political parties that are disciplined, well organized and proceeding in an orderly manner will be good examples for civilian political parties which would have to improve themselves to be as good as the military political parties. This would be another step in the evolution of the political party in this country.

The most important point is that people know what the administration's policy is.

Nowadays, people are just guessing and their guesses could be either right or wrong.

I believe that the military already has its own, unique administrative policy in mind.

When the military has its own political party, they would let people know what their political policies are.

People may support bringing military political policies into use to run the country in accordance with the nation's constitution.

Hands do not have to be hurt tearing the constitution.

13217/8309
CSO: 4207/169

COLONEL NARONG DISSATISFIED WITH TNP, MAY JOIN NEW PARTY

Bangkok BAN MUANG in Thai 7 Feb 86 pp 1, 16

[Excerpt] Colonel Narong Kittikachon, Member of Parliament for Ayutthaya of the Thai Nation Party discussed reports that he would set up a political party. He said this matter has been discussed with many Members of Parliament from different parties, but there has not been a formal meeting and the party has not been named. However, he did confirm that Mr Thawit Klinprathum, Member of Parliament for Mahasarakham, will certainly join him if the party is set up.

As far as finances or funding for setting up the party are concerned, Col Narong said that it is necessary to choose people who can support themselves to join the party so that this will not be a burden.

Asked if he would join General Mana Ratanakoset, former Assistant Army Commander because it has been said that he too might set up a political party, Col Narong said that he has never met with him. However, if Mana proposes to join him, he would have to consult his group of Members of Parliament as to whether it would work. Narong said that General Mana and he are fairly close.

Concerning the reasons that are making him think about splitting from the Thai Nation Party to set up his own party, Col Narong said that he does not feel comfortable with the operation of the Thai Nation Party because while the government is not successful in running the country, the Thai Nation Party which is the opposition party, is not willing to perform its duty either.

Asked if many members of the Thai Nation Party had said that they are being obstructed in doing their jobs, Col Narong said despite obstructions, it is our duty to control the management of the government. It is wrong if we do not do so.

13217/8309
CSO: 4207/169

THAI, MALAYSIAN TROOPS ADVANCING ON CPM HIDEOUT

HK220744 Hong Kong AFP in English 0723 GMT 22 Feb 86

/Text/ Bangkok, 22 Feb (AFP)--Thai and Malaysian forces are advancing on a new hideout of the outlawed Communist Party of Malaya (CPM) in southern Thailand after silencing a clandestine party radio station, a senior Thai officer said today.

Maj Gen Kitti Rattanachaya /name as received/, commander of the 5th Army Division, said that three Thai rangers were wounded today by exploding booby traps during the approach, in Thai territory.

The same happened to two Malaysian soldiers advancing on the same target from Malaysia, he said in a telephone interview from Betong District, Yala Province, 1093 km (656 miles) south of here.

Major General Kitti said the annual joint anticommunist operation, launched 3 weeks ago, was now concentrating on a suspected camp some 12 km (7 miles) north of the Thai border town of Betong.

Government forces have yet to determine the size of the hideout, he added.

He said the Thai and Malaysian soliders succeeded in silencing the CPM radio station when they seized a stronghold 10 km (6 miles) north of Betong last Sunday.

Western monitoring services have been unable to pick up the radio's signal since 10 February.

Major General Kitti said that troops knocked down the antenna and seized small radio equipment from the Malay-language station calling itself the Voice of the People of Malaysia, but that the insurgents had escaped with the transmitter.

The camp was the second major communist base overrun by Thai-Malaysian government troops in the course of the operation.

Major General Kitti earlier this week said the troops were trying to silence another clandestine radio believed to be operated by the CPM in the same area.

A total of 18 Thai soldiers have so far been reported wounded in the current joint drive along the Thai-Malaysian border. Casualties in the insurgents' ranks were not known.

There has been very little direct confrontation between government forces and guerrillas since the beginning of the operation.

Only three suspected guerrillas were captured by Thai forces, while the bulk of the insurgents have managed to escape, spokesmen say.

Lt Gen Wanchai Chitchamnong, Thai army commander for the southern region, has said the CPM has an estimated 1,500 armed men on the Thai side of the border.

The insurgents' numbers on the Malaysian side on the border are believed to be higher, he added.

Thai forces have introduced tracker dogs for search and destroy operations in the current anticommunist drive, a senior Thai military spokesman said yesterday.

Malaysia and Thailand have granted each other the right of hot pursuit up to k km (0.6 mile) across the border for a maximum of 3 days in the operation, which involves a total of 1,000 troops, Thai officials have said.

The major CPM target of the drive, a camp located just inside Malaysia, is believed to host the insurgents' 8th Company headquarters.

Thai forces have used helciopter gunships in the drive.

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CSO: 4200/793

THREE WOUNDED AS ARMY CLOSES IN ON COMMUNIST CAMP

BK220803 Bangkok BANGKOK WORLD in English 22 Feb 86 p 2

/Text/ Betong--Three soldiers were seriously wounded this morning as a landmine exploded while they were moving towards a suspected camp of Communist Party of Malaya /CPM/ guerrillas.

The incident occurred at about 10:30 am today some 14 km north of Betong near the Malaysian border as hundreds of soldiers were advancing closer to where a major CPM camp was believed to be situated.

The explosion brought the number of wounded on the Thai side to 17 in this continuing joint operation against communist insurgents in coordination with Malaysian troops.

Commander of a Thai task force in the battlefield, Lt Col Kittisak Ditsawinit, this morning said after the explosion that the government force might reach the target area and launch an attack on the suspected camp by this evening.

The report said that in the operation near area target number one, about 12 km north of Betong, the ground troops received air support that yesterday bombs the communist hideouts. /sentence as published/

The ground troops had advanced a further 2 km with air support and Lt Col Kittisak said there was evidence of the existence of the CPM camp.

The camp is believed to be of the CPM's Eighth Company and is believed to be a large one.

The soldiers wounded by this morning's landmine explosion were identified as Sgt Chamnan Chan, Sgt Sathira Raklamloet and Pvt Thongkham Khraikhruan.

They were in serious condition and were airlifted for hospital treatment.

As the Thai forces moved closer to the suspected camp site, Malaysian forces reportedly laid a cordon on the opposite side of the border in full readiness to attack insurgents should they escape in that direction.

/12228
CSO: 4200/793

COLUMNIST VOICES HOPES, CONCERNS ON CAMBODIA

Bangkok BAN MUANG in Thai 5 Feb 86 p 4

[Freeman column: "Cambodia's Problems, New Suggestions"]

[Excerpts] In Southeast Asia, things are looking up. The Soviet Ambassador to Thailand recently said that the Soviet Union supports the arrangement of talks to stop the war among the Cambodians and coordination between the Indochinese nations and ASEAN for peace and stability.

As we all know, the United States Government sent high level representatives to Vietnam recently and exchanged ideas with Nguyen Co Thach, the foreign minister of Vietnam, on various problems. Besides, that Soviet ministerial-level VIP's visits to Japan and China are a way for understanding existing problems and conflicts including the Cambodian problem.

The announcement of the 12th meeting of Indochinese foreign ministers urged settlement of domestic and international problems over Cambodia--and all domestic issues should be solved by Cambodians without foreign interference. The Cambodian Government is preparing for a free, general election after all the volunteer Vietnamese soldiers withdraw. The Cambodian Government said that it is ready to discuss the problems of the Cambodian refugees in Thailand.

The joint communique closed by saying that Laos, Vietnam, and Cambodia support Southeast Asia as a peaceful and stable area in which every country has an equal opportunity, regardless of social differences and political systems, to exist in accordance with the principles of co-existence of the Bandung Accord of 1955, the Kuala Lumpur Accord, and the Accord of the Three Indochinese Nations in 1981.

Yes, the initiative of these three Indochinese countries is a new hope for solving the Cambodian problem, but I believe that its success depends on the agreement between China and the Soviet Union which have particular interests in expanding their influence in Southeast Asia. Right now, if there were talks between the Indochinese countries and ASEAN, the problems would probably not be solved if China still expects a Khmer Rouge military victory in Cambodia and if the Soviets continue to support Vietnamese troops remaining in Cambodia. The fighting will continue without end. This will result in bloodshed for both the Vietnamese and Cambodian peoples and Thais will be included by accident.

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CSO: 4207/169

THAILAND

BRIEFS

BORDER VILLAGES SHELLED--Over 30 artillery and mortar shells fired by the Vietnamese landed on Tuesday afternoon near several border villages in Nam Yun District, Ubon Ratchathani Province. Several buildings, including at least three houses in Ban Non Sung and teacher quarters at the local school, were reportedly damaged in the shellings. Two cattle were also killed. The local military unit belonging to the Suranari Force retaliated with shelling until the Vietnamese gunfire stopped. Meanwhile, fighting broke out yesterday between the Vietnamese troops and the Coalition Government of Democratic Kampuchea forces about 3 km east of a Thai village, south of Asanyaprathet District. Casualties were not known. /Text/ /Bangkok Voice of Free Asia in English 1500 GMT 7 Mar 86 BK/ 12228

AIR AGREEMENT WITH EGYPT--Thai and Egyptian aviation authorities officially initialed a bilateral air agreement in Cairo recently. The Thai aviation delegation was led by Permanent Secretary for Communications M.L. Choengchan Kampu. Under the official agreement, Thailand agreed to provide permanent traffic rights to Agytair to operate three flights a week from Cairo to Bangkok and beyond to Manila and Tokyo. At the same time, the agreement will provide Thai International Airways with permanent rights to operate the same number of flights on the Bangkok-Muscat-Cairo route. At present, both countries' national flag carriers are operating on these routes under a temporary traffic rights agreement to their governments for final approval. /Text/ /Bangkok Voice of Asia in English 1500 GMT 3 Mar 86 BK/ 12228

IRAQ, TURKEY, BANGLADESH PURCHASES--Iraq has agreed to buy 90,000 to 120,000 tons of rice and another 100,000 tons of maize from Thailand, Deputy Commerce Minister Phairot Chaiyaphon said yesterday after his return from a visit to Iraq, Turkey, and Bangladesh. Mr Phairot said Turkey is interested in purchasing sugar, coffee, rubber, maize, tin, and fresh flowers from Thailand. He said also that Bangladesh wants to buy 50,000 to 60,000 tons of refined sugar from Thailand. Bangladesh was also interested in buying animal feeds, steel and cement from Thailand. /Text/ /Bangkok Voice of Free Asia in English 1500 GMT 3 Mar 86 BK/ 12228

RUBBER EXPORT FIGURES--Thailand exported 690,000 tons of rubbers in 1985, up 16.7 percent from the previous year, the Board of Trade of Thailand said. The value of exports in 1985 was estimated at $502.8 million. Japan topped the list of Thai rubber buyers last with purchase of 349,422 tons followed by the United States, China, Singapore, and West Germany respectively. /Text/ /Bangkok Voice of Free Asia in English 1500 GMT 24 Feb 86 BK/ 12228

GROWTH RATE FALLS SHORT--Secretary General of the National Economic and Social Development Board Dr Sano Unakun says that Thailand's economic growth during the Fifth National Development Plan failed to achieve targets because the country encountered many serious economic problems during the past years. He attributed the failure to /word indistinct/ trading situation and depressed prices for agricultural commodities in the international market. Dr Sano says that the government has been making efforts to deal with these economic problems. As a result, the country's trade deficits have decreased. He pointed out that Thailand's economic growth rate during the fifth plan, which has been implemented during 1981-1986, has been recorded at 4.2 percent as against the set target of 6 percent. However, Dr Sano says Thailand has enjoyed the highest economic growth rate when compared with those of other ASEAN member countries. It has been accepted that the ASEAN grouping has enjoyed the most favorable economic growth. He adds although the economic growth rate target cannot be achieved, the Thai economy remains stable. This is because Thailand has properly implemented its economic policies during the past 4 years. /Text/ /Bangkok Domestic Service in English 0000 GMT 5 Mar 86 BK/ 12228

COLONEL MANUN MAY RETURN--The cross-examination of state witnesses in the trial of the 9 September coup case is still an issue of interest. Reports from West Germany say that Col Manun Rupkhachon, a key suspect in masterminding the 9 September coup, will return to Thailand in April, the same time Halley's Comet will appear. We do not know whether Col Manun Rupkhachon or Halley's Comet will be more troublesome. /Text/ /Bangkok THAI RAT in Thai 5 Mar 86 p 4 BK/ 12228

POLICE CLASH WITH PULO SEPARATISTS--At 1650 on 8 March a 12-man police patrol unit led by 2d Lt Phaithun Sirangkun clashed with a PULO /Pattani United Liberation Organization/ group under leadership of Dolo Talowe near Ban Patukho, Tambon Sa-e, Central District of Yala Province for about 20 minutes, resulting in the death of a PULO member--Tolo Pato, 22 years old. The suppressors suffered no casualties. They seized an M-16 and 18 rounds of ammunition. On 6 March the PULO group had sniped at a truck belonging to a saw mill in the area, killing three passengers. The body of the dead PULO member has been taken to the office of the Central District of Yala Province for formal identification. /Text/ /Bangkok NAEO NA in Thai 9 Mar 86 p 16 BK/ 12228

PLO'S FARUQ AL-QADDMI TO VISIT--A five-member PLO delegation, led by Faruq al-Qaddumi, head of the PLO Political Department--a position equivalent to that of a foreign minister--will visit Thailand at the end of March as guests of the Foreign Ministry. Concerning the purpose of the visit, director general of the Foreign Ministry's Information Department, Sawanit Khongsiri, says: /Begin Sawanit recording/ The visit by Faruq al-Qaddumi is intended to strengthen the friendship and relations between Thailand and the PLO, and to brief the Thai side on the latest developments in the Palestinian problem and in the Middle East. /end recording/ /Text/ /Bangkok Voice of Free Asia in Thai 1030 GMT 7 Mar 86 BK/ 12228

CSO: 4207/186

CLANDESTINE RADIOS REPORT BATTLEFIELD ACTIVITIES

21-27 Feb Battle Reports

BK280949

[Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea [VONADK] in Cambodian broadcast the following battle reports during the reporting period 21 February-6 March:

VONADK at 2315 GMT on 21 February reports that DK forces dismantled Vietnamese administrative networks at Tumnup Thom Commune in Ponhea Loe District, Kandal Province, on 11 February; at a commune in Thpong District, Kompong Speu Province, on 14 February; at Prek Thnaot Commune on the Kompong Som battlefield on 16 February; at (Chrey) Commune in Moung District on the Moung-Pursat battlefield on 15 February; and at Leach Commune on the Leach battlefield on 13 February. The radio adds that they cut 10 sections of railroad track on the Moung-Pursat battlefield on 12 February and ambushed a Vietnamese battalion on the Moung-Pursat battlefield on 14 February. The radio also reports that DK troops conducted various other activities on the Pailin, Siem Ta, north Sisophon, Moung-Pursat, northwest Phnom Penh, south Sisophon, and western Leach battlefields 10-18 February, killing or wounding 175 Vietnamese enemy soldiers; destroying 24 guns, 10 ammunition and oil depots, 200 meters of railroad track, 1 C-25 field radio, 5 commune office buildings, 22 Vietnamese houses, 1 rice storehouse, 16 barracks, and some documents, ammunition, and war materiel; seizing 8 guns and some ammunition and war materiel; and liberating 3 villages on the Kompong Som battlefield and 3 others on the Moung-Pursat battlefield.

According to VONADK at 2315 GMT on 22 February, DK forces dispersed Vietnamese administration networks at villages east of Battambang town on 18 February; at O Krasang commune in Sangke District on the Battambang battlefield on 18 February; at Svay Sar village on the Stoeng Chas River on the Battambang battlefield on 16 February; and at O Svay Commune in Kompong Siem District, Kompong Cham Province, on 18 February. The broadcast adds that they ambushed a Vietnamese motorboat at Kaoh Smach on the Koh Kong Leu battlefield on 19 February and the DK troops conducted various other activities on the Koh Kong Leu, Kompong Thom, and Kompong Speu battlefields 14-19 February, killing or wounding 56 Vietnamese enemy soldiers; destroying

15 guns, 2 commune office buildings, 2 motorboats, 1 C-25 field radio, 1 Vietnamese house, 5 barracks, and some ammunition and war materiel; seizing some ammunition and military materiel; and liberating 6 villages on the east Battambang battlefield and 3 others on the Kompong Cham battlefield.

VONADK at 2315 GMT on 23 February states that DK forces attacked a Vietnamese war materiel depot north of Battambang town on 19 February; dispersed Vietnamese administrative networks at Stoeng Chas Commune in Roles P'ier District on the Kompong Chhnang battlefield on 14 February; at Anlung Tnaot Commune in Krakor District on the Moung-Pursat battlefield on 16 February; at villages in Moung District, Battambang Province, on 20 February; and at Samarong Commune in Prey Nop District on the Kompong Som battleifeld on 18 February. The radio adds that DK soldiers cut 15 sections of railroad track on the Moung-Pursat battlefield on 20 February, 5 sections on the Kampot battlefield on 14 February, and 2 sections on the Kompong Chhnang battlefield on 19 February. The broadcast goes on to say that they conducted various other activities on the north Battambang, Pursat, western Leach, Stung Treng, Moung-Pursat, Pailin, Siem Ta, Kompong Thom, and north Battambang battlefields 26 January-20 February, killing or wounding 175 Vietnamese soldiers; destroying 11 guns, 644 meters of railroad track, 2 trucks, 2 commune office buildings, 1 war materiel depot, 1 rice mill, 1 rice milling machine, 1 motoboat, 1 boat, 7 barracks, 1 guard post, and some ammunition and war materiel; seizing 4 guns and some war materiel; and liberating 6 villages on the north Battambang battlefield, 2 villages on the Moung-Pursat battlefield, and 2 others on the Kompong Som battlefield.

VONADK at 2315 GMT on 24 February reveals that DK forces attacked 2 Vietnamese trucks on the Mondolkiri battlefield on 13 February; a Vietnamese battaltion in Puok District, Siem Reap Province, on 15 February; and 2 Vietnamese company units in Santuk District, Kompong Thom Province, on 16 February. The radio adds that they ambushed a Vietnamese company on the Tonle Sap battlefield on 15 February and a truck in an area east of (Nimit) on the north Sisophon battlefield on 18 February and that DK troops conducted various other activities on the Pailin, Leach, Stung Treng, Samlot, Kampot, Kompong Cham, Siem Ta, east Kompong Cha, Kompong Chhnang, and Koh Kong Leu battlefields 8-20 February, killing or wounding 323 Vietnamese soldiers; destroying 54 guns, 5 trucks, some barracks, and some ammunition and war materiel; and seizing some ammunition and war materiel.

According to VONADK at 2315 GMT on 25 February, DK troops ambushed a Vietnamese battalion in Cheung Prey District, Kompong Cham Province, on 18 February and attacked Vietnamese soldiers in Ponhea Loe District, Kandal Province, on 16 February. The radio adds that they attacked Tbeng Khpos Commune, Kompong Tralach District, Kompong Chhnang Province, on 18 February; a commune in Cheung Prey District, Kompong Cham Province, on 21 February; and commune offices in Battambang District, Battambang

Province, on 20 February. The broadcast also reports that Vietnamese company was abmushed in Baray District, Kompong Thom Province, on 22 February and that from 4 to 21 February, DK troops killed or wounded 194 Vietnamese enemy soldiers on the Pailin, Limpong Thom, south Sisophon, and Kompong Cham battlefields; destroyed 16 guns, 2 trucks, 3 ammunition depots, 3 military barracks, and a quantity of ammunition and military materiel; and seized 17 guns and some ammunition and war materiel.

VONADK at 2315 GMT on 26 February discloses that DK forces attacked Ponhea Loe District office in Prek Phneou township 6 km from kilometer marker No 6 north of Tphnom Penh on 21 February. The radio says they routed a Vietnamese regiment along the Sangke and Stoeng Chas rivers on the Battambang battlefield on 21 snd 22 February and dismantled Vietnamese administration networks at Veal Pon on 21 February; at Tang Kroch in Samroang Tong District, Kompong Speu Province, on 22 February; at Ta Mau in Prek Prasap District, Kratie Province, on 20 February; at Prek Krieng on the Katie battlefield on 17 February; at a commune in Kompong Siem District, Kompong Cham Province, on 21 February; and at (Svay Chrey) commune, Baray District, Kompong Thom Province, on 17 February. The broadcast adds that DK troops conducted various other activities on the Route 4, north Sisophon, Kampot, Siem Ta, Pailin, Sisophon, Moung-Pursat, Kompong Chhnang, Stung Treng, northwest Phnom Penh, Kratie, north Battambang, and west Battambang battlefields 5-23 February, killing or wounding 411 Vietnamese soldiers; destroying 61 assorted weapons, 10 trucks, 1 district office building, 2 commune office buildings, 1 Vietnamese house, 2 fuel and petroleum depots, 8 motorboats, 19 barracks, and some ammunition and war materiel; seizing 17 guns and some ammunition and war materiel; and liberating 600 youths on the north Phnom Penh battlefield, 9 villages on the Battambang battlefield, and 3 other villages on the Kratie battlefield.

VONADK at 2315 GMT on 27 February notes that DK forces liberated Prek Dambok township northeast of Phnom Penh on the east Kompong Cham battlefield on 24 February; attacked Vietnamese soldiers at Prek Kdam in Ponhea Loe District on the north Phnom Penh battlfeield on 16 February; and dismantled Vietnamese administrative networks at Svay Preah Commune in Snuol District, Kratie Province, on 20 February and at two other communes in Chhlong District on the Kratie battlefield on 18 and 19 February. The radio adds that DK troops conducted other military activities on the east Battambang, Kratie, Sisophon, Leach, south Sisophon, Samlot, Koh Kong Leu, Kompong Thom, Chhep, Stung Treng, Kampot, and Kompong Chhnang battlefields 14-25 February, killing or wounding 170 Vietnamese soldiers; destroying 1 helicopter, 21 guns, 3 trucks, and commune office buildings; seizing 23 guns; and liberating 1 township, 1 company position, 8 villages, and 30 Cambodian soldiers and commune guerrillas on the east Kompong Cham battlefield.

VONADK at 2315 GMT on 28 February reports that DK forces attacked and destroyed a train carrying ammunition, fuel oil, and rice from Kompong Som to Phnom Penh on 25 February; dismantled Vietnamese administrations at Ta Pon Commune in Sangke District on Battambang battlefield on 24 February; at Chamka Dong in Udong District on Northwestern Phnom Penh battlefield on 15 February, at Kuok Srok village in Dambe District on East Kompong Cham battlefield on 19 February, at Veal Smau Commune in Thbong Khmum District on East Kompong Cham battlefield on 22 February, at Kraol Krabei Commune near Bakan District seat on Moung-Pursat battlefield on 24 February, at villages in Chamka Leu District on Kompong Cham battlefield on 17 and 18 February, at Preal Commune in Baray District on Kompong Thom battlefield on 22 February, at Krabao Commune in Kompong Svay District on Kompong Thom battlefield on 23 February, and at Banteay Meas Commune in Tuk Meas District on Kampot battlefield on 20 February; and conducted various other activities on West Battambang, Siem Reap, Kompong Cham, Tonle Sap, Pailin, Kampot, Northwest Phnom Penh, Battambang, Kompong Thom, and Stung Treng battlefields from 2 to 24 February, killing or woudning 193 Vietnamese soldiers; destroying 1 locomotive, 18 rail cars, 25 assorted guns, 70 meters of railroad track, 4 commune office buildings, 1 truck, 2 bicycles, 1 motorboat, 1 power generator, 3 barrels of diesel oil, 1 rice storehouse, 11 barracks, and some war materiel; seizing 14 guns and some ammunition and war materiel; and liberating 4 villages on Battambang battlefield and 4 villages on Moung-Pursat battlefield.

VONADK at 2315 GMT on 1 March reports that DK troops attacked a Vietnamese company position in Preah Net Preah District in Battambang Province on 24 February; dismantled Vietnamese administrative networks at Sangke Popok Commune in Thpong District on Kompong Speu battlefield on 25 February, at Tang Kroch Commune in Samraong Tong District of Kompong Speu Province on 25 February, and at Phlov Meas and Boeng Khtum Communes in Samlot District of Battambang Province on 25 February; cut 18 sections of railroad track on Moung-Pursat battlefield on 21 and 22 February; ambushed a Vietnamese company on Samlot battlefield on 24 February; and conducted various other activities on Samlot, Pailin, South Sisophon, Kompong Chhnang, North Sisophon, and Northwest Phnom Penh battlefields from 16 to 26 February, killing or wounding 180 Vietnamese soldiers; destroying 27 assorted guns, 6 trucks, 1 commune office building, 34 barracks, some ar materiel, and 360 meters of railroad track; and seizing 16 guns, 2 telephone sets, 60 sets of military uniforms, and some war materiel.

According to VONADK at 2315 GMT on 2 March, DK forces attacked and dismantled Vietnamese commune and village administrations in Santuk District of Kompong Thom Province on 26 Feburary, in Kompong Cham Province on 26 and 27 February, and in Battambang Province on 23, 24, and 27 February; attacked and captured a Vietnamese company position near hill 715 in Samlot District on 24 February; intercepted a Vietnamese company in Thong Krapeu Commune of Kompong Thom Province on 28

February; ambushed and sunk a motorboat in Sre Ambel on Koh Kong Kraom battlefield on 27 February; and conducted various other activities on Koh Kong Leu, Siem Ta, Sisophon, Kompong Speu, Battambang, and Ratanakiri battlefields from 10 to 27 February, killing 75 Vietnamese soldiers, including a company commander; wounding 62 others; dismantling 5 commune and 8 village administrations; destroying 30 assorted guns, 60 meters of railroad track, 1 truck, 1 motorboat, 1 20-hp engine, 2 barracks, and some war materiel; and seizing 6 guns and some materiel.

VONADK at 2315 GMT on 3 March reports that DK forces dismantled Vietnamese administrations at Khna Ansa Commune in Krakor District on Moung-Pursat battlefield on 14 February, at a village in Kompong Tralach District on Kompong Chhnang battlefield on 20 February, at 2 villages in Tuk Meas District on Kampot battlefield on 25 February, and at Trapeang Kaoh in Tramkak District on Takeo battlefield on 22 February; cut a bridge on Route 6 in Sot Nikom District on Siem Reap battlefield on 25 February; ambushed Vietnamese soldiers east of Veal Rinh on Kompong Som battlefield on 26 February; and conducted various other activities on Kompong Speu, Kampot, Kompong Chhnang, Kratie, Siem Reap, Siem Ta, Battambang, Leach, Moung-Pursat battlefield, and West Battambang battlefields from 5 to 28 February, killing or wounding 172 Vietnamese soldiers; dismantling Vietnamese administrations at 1 commune and 5 villages; destroying 18 guns, 1 truck, 1 10-meter bridge, 1 C-25 radio, 1 guard post, 16 barracks, 1 bicycle, and some ammunition and war materiel; and liberating 4 villages on Moung-Pursat battlefield and 2 villages on Kompong Chhnang battlefield.

According to VONADK at 2315 GMT on 4 March, DK forces dismantled Vietnamese administrative networks at Teas Commoune in Thamar Puok District on North Sisophon battlefield on 22 February, at Kakaoh Commune in Moung District on Moung-Pursat battlefield on 24 February, at 4 villages in Tra Kak District on Takeo battlefield on 1 March, at 4 other villages on Northwest Phnom Penh battlefield on 21 and 23 February, at Tang Kroch and Phneav villages in Samraong Tong District on Kompong Speu battlefield on 28 February, at 2 villages in Baray District on Kompong Thom battlefield on 24 February,and at a village on Kompong Sam battlefield on 26 February; cut 12 sections of railroad track at area between Prey Svay and Kralom Phluk on Moung-Pursat battlefield on 26 February; ambushed a Vietnamese battalion in Stoung District on Kompong Thom battlefield on 25 February, and a Vietnamese regiment north of (Prey Soeng) on Kompong Cham battlefield on 28 February; and conducted various other activities on Moung-Pursat, Leach, Koh Kong Leu, Kompong Som, Siem Reap, Kompong Chhnang Route 4, Sisophon, Northwest Phnom Penh, Kompong Cham, and Kampot battlefields from 21 February to 1 March, killing or wounding 118 Vietnamese soldiers; dismantling Vietnamese administrations at 1 commune and 11 villages; destroying 1 commune office, 10 guns, 1 ammunition depot, 1 truck, 260 meters of railroad track, 1 rice military machine, 1 motorboat, 3 barracks, and some ammunition and war materiel; and seizing some ammunition and war materiel.

According to VONADK at 2315 GMT on 5 March, DK forces attacked Chheuteal township and Vat Sar and Chheuteal communes along Sangke River bank 2 km south of Battambang town and fired 6 107-mm rockets into a Vietnamese position in Battambang town on 26 February; swept and dismantled Vietnamese administrations in various villages on South Battambang battlefield on 1 March; and conducted various other activities on Pailin, Kompong Cham, Moung-Pursat, Samlot, Kompong Thom, and Kompong Som battlefields from 15 February to 2 March, killing or wounding 184 Vietnamese soldiers; destroying 5 guns, 1 rice mill, 1 materiel depot, 2 guard posts, and some war materiel; and liberating 7 villages on Battambang battlefield and 3 villages on South Sattambang battlefield.

VONADK at 2315 GMT on 6 March reports that DK forces dismantled Vietnamese administration along Route 7 on Kompong Cham battlefield on 1 March, in Bavel and Battambang Districts on Battambang battlefield on 28 February, and in Prey Chhor District on Kompong Cham battlefield on 2 March; ambushed a Vietnamese platoon unit in Sangke District on 3 March; a Vietnamese company in Santuk District on 3 March, and a platoon position in Prey Nop District on 3 March; and conducted various other activities on Battambang and Kompong Thom battlefields from 28 February and 3 March, killing or wounding 76 Vietnamese soldiers; destroying 6 commune office buildings, 11 weapons, 2 cars, 1 rice mill, 1 paddy stock, 2 bridges, 18 barracks, and some ammuntion and war materiel; seizing 39 weapons, 70 rolls of cloth, and some ammunition and war materiel; and liberating 1 township, 9 communes, 17 villages, and 3,000 inhabitants.

Battle Results for February

BK040135 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 3 Mar 86

[February battle results from battlefields throughout the country]

[Text] 1. Koh Kong-Kompong Som battlefield: 229 Vietnamese soldiers killed and 155 wounded. Total: 384 casualties.

2. Leach-Siem Ta battlefield: 157 killed and 173 wounded. Total: 330 casualties.

3. Samlot battlefield: 155 killed and 149 wounded. Total: 304 casualties.

4. Pailin battlefield: 393 killed and 502 wounded. Total: 895 casualties.

5. South Sisophon battlefield: 160 killed and 208 wounded. Total: 368 casualties.

6. North Sisophon battlefield: 130 killed and 147 wounded.
Total: 277 casualties.

7. Battlefields around Battambang Town: 149 killed and 172 wounded.
Total: 321 casualties.

8. Siem Reap-Route 6 battlefield: 99 killed and 105 wounded.
Total: 204 casualties.

9. Preah Vihear battlefield: 22 killed and 26 wounded.
Total: 48 casualties.

10. Kompong Thom-Kompong Cham battlefield: 263 killed and 303 wounded.
Total: 566 casualties.

11. Northeast-Eastern battlefield: 173 killed and 142 wounded.
Total: 315 casualties.

12. Moung-Pursat battlefield: 115 killed and 128 wounded.
Total: 243 casualties.

13. Kompong Chnang battlefield: 45 killed and 41 wounded.
Total: 86 casualties.

14. Tonle Sap battlefield: 66 killed and 60 wounded.
Total: 126 causalties.

15. Phnom Penh battlefield: 41 killed and 35 wounded.
Total: 76 casualties.

16. Northwestern Phnom Penh battlefield: 222 killed and 236 wounded.
Total: 458 casualties.

17. Northren Phnom Penh battlefield: 36 killed and 45 wounded.
Total: 81 casualties.

18. Southwestern region battlefield: 96 killed and 110 wounded.
Total: 206 casualties.

In sum, in February we killed 2551 Vietnamese soldiers and wounded 2737 others for a total of 5,288 causalties.

Clashes in Siem Reap, Battambang

BK091415 (Clandestine) Voice of the Khmer in Cambodian 1100 GMT 9 Mar 86

[All figures as heard]

[Text] The Khmer People's National Liberation Front reported that 20 Vietnamese soldiers were killed and 48 others wounded in clashes between the Khmer People's National Liberation Army [KPNLA] and Vietnamese soldiers in Siem Reap and Battambang Provinces. The report said that at 1020 on 2 March, the KPNLA combatants attacked some 300 Vietnamese soldiers in Rumchek Commune, Puok District, Siem Reap Province. Following 1 hour and 20 minutes of fighting, 20 Vietnamese soldiers were killed and 25 others wounded. On 20 February, KPNLA combatants attacked a Vietnamese position in Anlung Sandan village, Kandal Commune, Bavel District, Battambang Province. The 30-minute clash resulted in 20 Vietnamese wounded. Two KPNLA attacked the Vietnamese position at Samraong school, Sophi Commune, Poipet District, Battambang Province, killing one Vietnamese soldier and wounding three others.

Township 'Liberated'

BK070346 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 6 Mar 86

[Report from various battlefields]

[Excerpt] On 1 March, our national army swept and dismantled Vietnamese ememy commune authorities along Route 7 from the Si Moan township to Chipeang Krek Commune, Ponhea Krek District, Kompong Cham Province. The attack was launched in three prongs. The first prong attacked the Vietnamese company position at the junction of Route 7 and Route 22 going to Vietnam; the second moved toward the Vietnamese platoon position defending the Si Moam township; and the third swept and dismantled the Vietnamese enemy commune authorities from Si Moan to Chipeang Krek. After a 30-minute battle, we destroyed and were completely in control on these three prongs. As a result:

1. We killed 10 and wounded 3 Vietnamese enemy soldiers; destroyed some weapons and ammunition, 6 long barracks, 5 commune offices, a warehouse containing paddy and rice plundered from our people, a big rice mill with hundreds of metric tons of paddy and rice in it, a number of general warehouses, 2 Soviet trucks, and some war materiel.

2. We seized 4 AK's, 4 B-40 and B-41 rocket launchers, an M-79, 2 AR-15's, 750 rounds of AK ammunition, 70 rolls of cloth, hundreds of sacks of rice, and a quantity of materiel.

3. We liberated the Si Moan township completely and nine communes: Krek, Si Moan, Neang Loy, Puk, Ta Tok, L'ak, Kakor, Ampor, and Chipeang Krek.

4. Our national army distributed paddy and rice, and a lot of cloth to our compatriots.

SRV Aircraft Strafe Village

BK090544 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 8 Mar 86

["News Commentary": "The Vietnamese Enemy Used Aircraft To Savagely and Barbarously Strafe Our People's Village in Kompong Tralach Kraom District, Kompong Chhnang Province"]

[Excerpt] On 12 February, the Vietnamese enemy used three aircraft to savagely and barbarously strafe Ta Mul village, Kompong Tralach Karon District, Kompong Chhnang Province, killing five head of buffalo and wounding three others and damaging many of our people's houses and crops.

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CSO: 4212/62

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK AFFIRMS COMMITMENT TO CAPITALISM

BK270453 (CLandestine) Voice of Democratic Kampuchea in Cambodian
2330 GMT 26 Feb 86

[Station commentary: "A Liberal Capitalist Regime Based on Parliamentary System Is a Strategic and Long-Term Policy of Camboida"]

[Text] Our Democratic Kampuchean side has said clearly that following the total withdrawal of the Hanoi Vietnamese aggressor troops from Cambodia, Cambodia will adopt a liberal capitalist regime in economics and a parliamentary regime in politics. This will be a long-term strategic policy of Democratic Kampuchea and of our entire Cambodian state. The reason for our adopting this type of regime is that Cambodia is adjacent to Vietnam and Vietnam always wants to annex Cambodia. In the future, even if it is compelled to withdraw troops from Cambodia due to more serious difficulties, Vietnam will never abandon its ambition of swallowing up Camboida. Whenever Camboida is weak and Vietnam has enough strength, Vietnam will certainly send troops to invade and occupy Cambodia again. The Vietnamese strategy of aggression and expansion is very clear. There is no illusion about it. Since birth, Vietnam has always tried to expand southward and from the mountain region down to the flatlands. In the past, Vietnam annexed Champa and then the Kampuchean Kraom territories. After the end of the war in Vietnam, Vietnam annexed Laos and sent hundreds of thousands of troops to invade Cambodia in an attempt to swallow up all of Cambodia.

This is an extreme danger to the survival of our nation and race. To defend and preserve our Cambodian nation and race, Cambodia--a small and less populated country than Vietnam--needs a broad national union and immense support from the world. To successfully rally these forces, Cambodia must adopt a regime acceptable to the Cambodian people from all walks of life--that is, a liberal capitalist regime based on the parliamentary system as mentioned above. Only by adopting such a regime will we be able to mobilize a broad national union and immense support from countries around the world. Now we have the tripartite CGDK and enjoy the support of 114 countries in our struggle against the Vietnamese aggressors. With this government and world support, our struggle has advanced favorably. We will definitely win final victory. Following the total withdrawal of Vietnamese aggressor troops from Cambodia, we still need these forces to build and defend our nation and race forever.

On the other hand, if after the withdrawal of the Vietnamese troops, we turn back to a socialist regime, we will not be able to mobilize such broad forces at home and abroad. When the Hanoi authorities invade Cambodia again, Democratic Kampuchea alone will not be able to counter the Vietnamese. If this happens, Vietnam will certainly be able to swallow up our nation and race. By then there will be no socialism nor a Cambodian race. For this reason, we say clearly that for the survival of our nation and race, we must adopt a liberal capitalist system economically and a parliamentary system politically, and remain an independent, unified, neutral, and nonaligned country. Cambodia will contact all countries near or far on an equal footing and based on the 5-point principle of peaceful coexistence, and will not allow any country to set up military bases on our soil. Only by so doing will peace and security prevail in Cambodia and in all of Southeast Asia.

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CSO: 4212/62

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

76TH ANNIVERSARY OF INTERNATIONAL WOMEN'S DAY

BK081419 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 7 Mar 86

[Station editorial: "All Cambodian women join in celebrating the International Women's Day with lofty determination and join with our Cambodian people and national army in carrying on our struggle against the Vietnamese aggressors and race exterminators for the survival of our Cambodian nation and race and for the rights, freedoms, honor, and dignity of our Cambodian women"]

[Text] Today, 8 March 1986, is the 76th anniversary of the International Women's Day. All Cambodian people would like to join with fraternal women of all nationalities in the world in marking this festive day with lofty pride of the victories scored by our women in their valiant struggle for rights, freedoms, honor, and dignity of our women.

This year is the 8th year that our Cambodian women mark the International Women's Day amid the sound of gunfires and the extremely cruel, barbarous, and fascist crimes of the Vietnamese aggressors and race exterminators. Over the past more than 7 years, the Vietnamese aggressors have been extremely cruel to our Cambodian people and women, massacring them through all kinds of methods, robbing and destroying their property, recruiting and sending them to work and die in the western sector of Cambodia, starving them to death, and raping our women to death. Those who survived these crimes are living a miserable life due to the oppression by the Vietnamese aggressors. Our people have been repeatedly robbed, oppressed, deprived of their rights and freedoms, separated from their families, and compelled to desert their hometowns to become refugees. Despite these miserable sufferings and serious danger, our Cambodian people and women have not submitted to the Vietnamese aggressors. On the contrary, with seething indignation and great rancor against the Vietnamese aggressors, they have jointly struggled valiantly and vigorously together with our national army against the Vietnamese aggressors. In the current struggle to liberate our country and defend our race. our women have been playing a significant role, both in the front and the rear. On the forefront, our women are responsible for the task of transporting ammunition and food supply to our national army combatants fighting the Vietnamese enemies on the front lines. In carrying out this task, our women have to travel by foot for hundreds of kilometers through steep mountains, thick forests, rivers, streams, several layers of enemy lines, mine fields, and barages of enemy's gunfires. They have carried out this task valiantly, timely, and regularly. This task is comparable to the vital vein which brings blood to our national army, thus enabling it to fight and score victories over the Vietnamese aggressors on all battlefields throughout the country. Judging from the strength of women, this is certainly a very heavy task. But out of their lofty spirit of patriotism and heroism, our Cambodian women have been fulfilling this task successfully and effectively for more than 7 years now. Besides this our women are responsible for the task of giving medical treatment and tending the wounded and disable combatants. They have carried out this task with high sense of responsibility and without complaining about hardship or fatigue. In the rear, women are responsible for the task of launching production, feeding and taking care of the families and children on behalf of men, and even providing the forefront with food according to their ability. Women in the rear also fulfill their task as mother, educating and taking good care of their children, thus enabling them to grow physically and mentally with good health, wisdom, good behavior, and spirit of patriotism so that in the days to come, they will be the good future of our country and succeed us in carrying out social affairs and teaching work to provide knowledge in cultural, literature, and technical fields for the next generation. Therefore, in the current war for national liberation, our women have made great contributions in all fields by launching all forms of struggle together with our national army and people throughout the country against the Vietnamese aggressors, winning successive victories and causing greater difficulties and defeats to the Vietnamese aggressors to the point that they are heading rapidly toward total defeat. These are the heroic acts of our Cambodian women which reflect their lofty spirit of patriotism, their industriousness, and their sense of endurance. Our entire Cambodian nation and people will forever engrave these heroic acts of our Cambodian women in the page of our history.

On this solemn occasion of International Women's Day, our Cambodian women pledge to further strive to fulfill all their tasks more effectively and actively with lofty sense of responsibility in order to join with our national army and people in the fight to drive all Vietnamese aggressors out of our Cambodian territory, thus enabling our Cambodian nation and race to last forever and our Cambodian people and women to enjoy the rights, freedoms, honor, and dignity as all other peoples and women in the world. Through these tasks to jointly drive out the Vietnamese aggressors and defend our Cambodian nation and race, our Cambodian women are making significant and concrete contributions, and together with women of all nationalities and world's people, are defending peace, security, and stability in Southeast Asia, Asia, and the Pacific region, and the rest of the world as well as to the struggle waged by women of all nationalities to defend the rights, freedoms, and honor of women.

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

THAILAND'S SITTI THANKS KHIEU SAMPHAN--On 27 February, His Excellency Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs affairs, received a message from His Excellency Sitthi Sawetsila, deputy minister and foreign minister of Thailand, in response to his greetings message on the occasion of his appointment as deputy prime minister of the Royal Government of Thailand. The message says: I am happy with your greetings on the occasion of my appointment as deputy prime minister. I would like to assert that I shall make every effort to maintain and further strengthen the bonds of friendship between our two countries. I sincerely hope that I will receive your cooperation and confidence, as you have given me in the past. Would Your Excellency please accept my high regards. [dated] Bangkok, 21 February 1986 [signed] Air Chief Marshal Sitthi Sawetsila, deputy prime minister of the royal Government of Thailand] [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Mar 86] 12640

SRV REJECTION OF TALKS--AFP reports from Hanoi that Vietnam has once again confirmed that it will not hold talks with the Cambodian coalition government to settle the Cambodian problem. Vietnam stressed that it recognizes the Phnom Penh regime as the sole authentic and legitimate representative of the Cambodian people. The Vietnamese Foreign Ministry issued a statement reaffirming that Hanoi will not hold direct or indirect negotiations with the Cambodian coalition government as suggested in the proposal that ASEAN has supported. This statement of the Vietnamese foreign ministry is in response to proposals for such negotiations expounded in a recent statement of the Cambodian coalition government. Western diplomats say Hanoi's response clearly shows that Vietnam does not want to hold negotiations to solve the problems in Cambodia through peaceful means and that Vietnam does not want to withdraw its troops from Cambodia before completely colonizing the country. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1100 GMT 4 Mar 86] /12640

CSO: 4212/62

HANOI CARRIES INTERVIEW WITH PRK CULTURE MINISTER

BK071314 Hanoi Domestic Service in Vietnamese 0015 GMT 7 Mar 86

[Station correspondent interview with PRK Information and Culture Minister Chheng Phon--date and place not given; Chheng Phon's answers recorded in Cambodian fading into Vietnamese translation]

[Text] [Question] Please, comrade minister, tell us about the results of cooperation between the Cambodian and Vietnamese culture sectors in the past.

[Answer] Before 7 January 1979, the culture and arts sector in Cambodia was nil. Thanks to the Vietnamese forces that came to liberate us from the genocidal Pol Pot clique, the culture and arts sector of our country has revived. The cultural and artistic cooperation between Cambodian and Vietnam began with many difficulties because of the poverty on the Cambodian side. Then, Vietnam's Culture Ministry has sent its cadres and specialists to help us organize and rearrange the mechanism of our sector and gather the remaining artists and cultural assets in order to resume our operations. We now have an institution worthy of pride. To be more accurate, the Cambodian culture and arts sector not only has been restored, but it has also developed beyond the standard of the former regimes, including that of Sihanouk. This is the result of common Cambodian-Vietnamese efforts.

Vietnam's Culture Ministry has sent many specialists to Cambodia to assist in the printing, publishing, and sports fields as well as teachers in the artistic, political, and technical schools. The Vietnamese specialists are very interested in forming and training cadres for all levels from the central to grass-roots levels. They have helped us conduct training courses for chief-officers and deputies, and mass cultural training courses. In our opinion, the outstanding cultural and artistic achievements in serving the current political requirements of the party and state lie in the domains of mass literature and culture, sports, cinematography, national music, revolutionary songs.

As yet, there have been 5,880 teams of mass literature and culture operating countrywide.

[Question] Please, comrade minister, tell us about the guideline for cooperation between the Cambodian and Vietnamese Cultural sectors in the days ahead, especially in 1986.

[Answer] There are still a lot to do for both cultural sectors of the two countries. Cambodia should cooperate with Vietnam to consolidate the organization and management of its sector, the management and use of its material bases, and the organization of cultural and artistic network from the central down to grass-roots levels, and to deal with the training problem.

As for training, from 1981 to 1985, some of the immediate demands were fulfilled. As the cultural and artistic requirements of the coming years are even higher, the Cambodian culture sector should train the following cadres: Composers of songs and dances, novelists, writers, literary critics, psychological researchers, and other researchers in social sciences and history.

The Pol Pot clique previously killed up to 90 percent of workers in these domains. The problem is that we should be concerned with training a contingent of professors and cadres for the sector who are sufficiently capable of preserving and developing national arts in the future in order to recover what was lost under the Pol Pot regime. Our Cambodian nation possesses good literary and artistic traditions peaked by the Angkor civilization. In only a few years, the genocidal Pol Pot clique destroyed them all. As a result, our sector's most important task is to research and recompile the cultural revolution in our nation.

In 1986, we need to exchange with Vietnam the delegations of arts professors of the institutes of music and social sciences in order to implement the above-mentioned guidelines.

[Question] I would like to ask you, comrade minister, to give your impressions about this visit.

[Answer] Although our visit to Vietnam is short, the action program for delegation is busy. We have met with many researchers, professors, and specialists of Vietnam's culture and arts sector in Hanoi. We have worked, learned, and drawn some experience at various departments and services of the Vietnamese Ministry of Culture.

In a meeting with the researchres of Vietnam's Commission of Social Sciences, we were very encouraged by the researchers who expressed their willingness to cooperate with and assist us. I told them: When speaking of culture, we speak of man. Cultural workers should therefore profoundly understand human thoughts and sentiments.

The cultural exchange between our two nations and the research to understand Cambodian and Vietnamese cultural sectors are aimed at making the Cambodian and Vietnamese peoples understand each other and the Cambodian-Vietnamese solidarity become a sentiment of the working class and revolutionary people.

As a result, cooperation between the cultural sectors of the two countries is in the domain of revolutionary sentiments of the working class between the parties, states, and peoples of our two countries. This visit is very successful. We have discussed and prepared for a plan of cultural cooperation and assistance between the two countries.

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CSO: 4209/373

PEOPLE'S REPUBLIC OF KAMPUCHEA

HUN SEN RECEIVES SWEDISH RED CROSS DELEGATION

BK061214 Phnom Penh SPK in English 1131 GMT 6 Mar 86

[Text] Phnom Penh SPK 6 March -- Georan Baeckstrand, head of the International Department under the Swedish Red Cross, called on Hun Sen, premier and foreign minister of the People's Republic of Kampuchea, in Phnom Penh, Wednesday afternoon at the end of his week-long visit to Kampuchea.

On the occasion, Premier Hun Sen spoke of the success of the cooperation between the Kampuchean and Swedish Red Cross organizations and the efforts made by the Kampuchean people to achieve socio-economic rehabilitation programme put forth by the Fifth Congress of the People's Revolutionary Party of Kampuchea.

For his part, Georan Baeckstrand informed Hun Sen of the fruitful cooperation between the two organizations in the past years and highly valued the effectiveness of health care cooperation thanks to which the Kompong Chhnang hospital is in good operation.

He promised to do all he can to get his organization to continue assisting the Kampuchean people.

During its stay the two-member delegation was received by Yit Kimseng, minister of public health. An agreement on bilateral cooperation for 1986-87 was signed by Georan Baeckstrand and Phlek Phirun, president of the Kampuchea Red Cross.

The guests also visited the College of Medicine, Pharmacy and Dentistry, the Kompong Chhnang hospital and the Angkor Vat temple in Siem Reap-Oddar Meanchey Province.

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CSO: 4200/795

PEOPLE'S REPUBLIC OF KAMPUCHEA

POLISH HEALTH MINISTRY DELEGATION PAYS 5 DAY VISIT

BK031203 Phnom Penh SPK in English 1111 GMT 3 Mar 86

[Text] Phnom Penh SPK March 3--A delegation of the Ministry of Health and Social Welfare of the Polish People's Republic headed by Vice Minister Stanislaw Gura, left Phnom Penh Monday after a 5-day official friendship visit to Kampuchea.

The delegation was seen off at Pochentong Airport by Health Minister Yit Kimseng and other Kampuchean officials.

Polish Ambassador Ludwik Klockowski was also present.

While in Kampuchea the delegation was cordially received by Chea Soth, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, vice premier and minister of planning.

Speaking to his Polish guests, Chea Soth expressed profound thanks to the Polish United Workers Party, the government and people of Poland for their continued assistance to the Kampuchean revolution as well as to the development of health care in Kampuchea.

For his part, Stanislaw Gura said he firmly believed that the efforts of both sides to promote the Polish-Kampuchean health cooperation would be fructuous.

During its stay, the head delegate signed a cooperation programme for 1986-1990 between the health ministries of Kampuchea and Poland with Kampuchean Health Minister Yit Kimseng. It also visited the College of Medicine, Pharmacy and Dentistry, hospitals, the Tuol Sleng musuem of genocide and the ex-royal palace in Phnom Penh.

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CSO: 4200/795

PEOPLE'S REPUBLIC OF KAMPUCHEA

MAT LY PRESIDES AT WOMEN'S DAY MEETING

BK090650 Phnom Penh SPK in English 1114 GMT 8 Mar 86

[Text] Phnom Penh SPK 8 March--A 1,200 strong meeting was held in Phnom Pen Saturday morning to mark the 76th anniversary of the International Women's Day.

Present on the presidium, among others, were Mat Ly, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, vice chairman of the National Assembly and president of the Kampuchean Federation of Trade Unions; Nguon Nhel, candidate Politburo member of the party Central Committee, secretary of the Phnom Penh Party Committee; Chhuk Chhim and Not Kimlay, vice presidents of the Association of Revolutionary Women of Kampuchea.

Members of the diplomatic corps here were also present on the occasion.

Addressing the meeting, Not Kimlay voiced the Kampuchean womens support for the Soviet Union's stance taken at the Soviet-U.S. summit in November last year, and the statement made on 15 January by M. Gorbachov, general secretary of the party of the Soviet Union, which contains a vast, concrete programme with a series of new important initiatives, for the complete and total dismantlement of the nuclear arsenal by the year 2,000 on the basis of reaching an agreement on banning the production, testing and deployment of offensive space weapons.

Aftre recalling successive victories of the Kampuchean people, she spoke of the Kampuchean womens devotion to an active participation in the Kampuchean Revolutionary Armed Forces and the Vietnamese Army volunteers fight against the enemy and of the good results in the political proselytizing of misled people.

She went on: "The victories recorded in the past 7 years have testified to the rapid development of the Kampuchean revolution, particularly the movement of the revolutionary women is further consolidated and developed. By the end of 1985, the membership of the Association of Revolutionary Women of Kampuchea had increased by four fold over 1980.

"Our sisters are actively joining in the movement for national defence and construction. At factories, enterprises, workshops, who [as received] are also cadres, employees, workers and peasants, are stepping up the patriotic emulation movement, the "five-good women" movement, the agricultural and industrial production, thus making progress in their work.

All revolutionary gains scored by the Kampuchean women and the Kampuchean people throughout the country have sprung from the correct leadership of the KPRP guided by the just, authentic political line of Marxism-Leninism, from the resolute struggle of the Kampuchean people especially [words indistinct] difficulties and from the aid and assistance of the fraternal socialist countries including the Soviet Union as a solid bastion and of the other countries on the Indochinese peninsula--Laos and Vietnam especially of the party, the government and women of Vietnam and of the progressive women and peoples the world over.

"Seizing this opportunity, we, on behalf of all Kampuchean women, wish to express [word indistinct] profound gratitude to the parties, the governments and people of the brotherly socialist countries, particularly the fraternal Soviet people, for their moral and material support to the Kampuchean people and women. We also wish to extend our profound gratitude to the Vietnamese sisters and mothers for their noble sentiments and sacrifices by allowing their husbands and children to come to fulfill their proletarian internationalist duties on the Kampuchean territory.

"With the great achievements recorded in 1985 and the strategic tasks set for the Kampuchean revolution in the new stage by the fifth party congress, we shall do all we can to achieve the three strategic objectives and the two important tasks of the party, that is to build solid basis and to increase quantitatively and qualititively the contingent of consistent cadres."

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CSO: 4200/795

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

RICE TRANSPLANTING--Phnom Penh SPK 25 February--By the end of January peasants in Kampot Province, 150 km southwest of Phnom Penh, had raised 50 ha of rice seedlings and transplanted 170 ha of dry-season rice. For this current season they plan to put 1,600 ha under [words indistinct] crops including 100 ha of the Ir-36 and Ir-42 varieties. They also covered 900 ha with industrial and subsidiary food crops. The provincial agriculture service has sent its skilled workers to help peasants with intensive farming. It also supplied the peasants with a considerable quantity of chemical fertilizer and insecticide. Last dry-season they grew (?7,000) ha of rice with an average output of 2 tonnes per hectare. [Text] [Phnom Penh SPK in English 1152 GMT 25 Feb 86 OW] /12640

JOURNALISM COURSE--Phnom Penh SPK 25 February --A course of journalism for 43 Kampuchean mass-media workers was opened in Phnom Penh Monday. Present at the opening ceremony were Khoy Khun Hour, member and president of the Commission for Propaganda and Education of the Central Committee of the People's Revolutionary Party of Kampuchea; Khieu Kanharith, general secretary of the Kampuchean Journalists' Association and editor-in-chief of the weekly "KAMPUCHEA"; and I Lon, deputy general director of the Kampuchean News Agency "SPK." Taking the floor, Khoy Khun Hour, after analysing the danger of the enemy psychological warfare, pointed out to the necessity in promoting the propaganda work. He also recommended the students to study hard in order to gain professional capacity and deepen political knowledge with a view to well fulfilling the tasks of national construction and defence. [Text] [Phnom Penh SPK in English 1158 GMT 25 Feb 86 OW] /12640

ABMASSADOR TO INDIA--Phnom Penh SPK 8 March --New Kampuchean Ambassador Sok An presented his credentials to Indian President Zail Singh on Thursday, according to Press Trust of India. Welcoming the ambassador, President Zail Singh reiterated India's desire that conflicts in Indochina should end and peace and tranquility should return to enable the three states of the region. The Kampuchean ambassador said, "We highly cherish our friendship with India and its people, which is based on ancient ties of culture, religion and history deepended and strenghtened by cooperation in recent times. [Text] [Phnom Penh SPK in English 1103 GMT 8 Mar 86 PK] /12640

CSO: 4200/795

MILITARY AFFAIRS AND PUBLIC SECURITY

NHAN DAN DESCRIBES PRK BORDER SITUATION

BK100746 Hanoi NHAN DAN in Vietnamese 18 Feb 86 pp 3, 4

[Article by Le Ba Thuyen: "At the Northwestern Border of Cambodia"]

[Text] Cambodia is the land of temples, the native place of the wonderful, majestic Angkor architecture. One of the famous temples, Preah Vihear--the Khmer words means a Buddhist pagoda--has become the name of a western border province that was formerly one of the country's poorest and most beset by difficulties and that is now surging forward under the new regime. Renowned for its all-people movement to fight the enemy, the province is now undergoing gradual changes in its new life, like a wild flower beginning to bloom under the spring sky.

The Example Set by Te Vanarat

The Vietnamese Army volunteers have had to fight under harsh natural conditions. Implementing Beijing's plans, the Pol Pot army remnants, including those fleeing to this area after 7 January 1979 and those stationed on the high Dangrak and Cardamon mountain ranges, are climbing to the 800-km long border and using it as a staging area for their infiltration to carry out sabotage activities against the young people's republic and against the Cambodian people's rebirth. The terrain in the Preah Vihear is very labyrinthine, with rocky, perching cat's ear-shaped mountains whose tops can be reached by climbing with a rope. Such place names as Alung Veng, Hill 476, etc...have become well known from the many destructive attacks launched on the enemy's strongholds on the Dangrek mountain range.

Proceeding from nothingness in the period immediately after liberation, the people's war movement has rekindled and grown increasingly stronger in the flame of the struggle to defend the homeland. On a spring morning, the bandits sneaked in to launch a predatory attack on the district town of Sangkum Thmei. They fired B-40 rockets, burning down many houses. Te Vanarat, the district chief, quickly grasped an AK rifle and jumped into a communications trench. He opened fire on the enemy while giving combat orders to his cadres and combatants who were there that Sunday morning. Ba Sen, the district security police chief, led his men in fighting back fiercefully. When the office buildings caught fire, Te Vanarat jumped up from the communications trench and ran to them to save documents. Some enemy soldiers were runjing toward him. He pointed his AK rifle at them. One enemy soldier was gunned down. Almost simultaneously, a bullet hit the brave comrade district chief. His example as a leading cadre and loyal party member in fighting until his last breath has deeply moved the hearts of many soldiers. A Vietnamese Army volunteer unit stationed nearby was sent in to coordinate in the combat. The bandits were driven away, fleeing in confusion toward the jungle. The chief of Sangkum Thmei District--the district that bears the name of "New Society"--fell on the land he was helping to build into a free, independent society. He left behind a shining example of the spirit of fighting and sacrificing for the defense of the homeland.

Also in this period, the local forces of Choam Khsan District near the Preah Vihear temple area launched a sweep operation, killing many enemy soldiers while the local forces of Chhep District cracked down on enemy infiltrators, annihilating many of them. From the analysis and experience of these significant battles, the provincial party committee launched an all-people movement to fight the enemy.

When we met Comrade Khoy Khunhuor, then secretary of the Preah Vihear provincial party committee, at the recent fifth KPRP Congress, he told us of the great changes in this province during the past 7 years. Comrade Khoy Khunhour, 30, is now a member of the party Central Committee and head of the party Central Committee Propaganda and Training Department.

Implementing the provincial party committee's policies, all localities have exerted efforts to consolidate the grassroots level, develop the guerrilla militia movement, fence up combat villages, and step up the all-people movement for national defense. To date, all villages have their own militia forces and all hamlets have formed their own guerrilla platoons capable of defending themselves. Meanwhile, the local army forces are responsible for mobile combat duty in all districts of the province. In the 1984-85 dry season, the revolutionary armed forces destroyed an important base of Pol Pot's remnant troops at the border in Preah Vihear, annihilating almost 1,000 of them and seizing hundreds of metric tons of weapons and food supplies. They also smashed base 1001 of the Sereika, killing hundreds of enemy troops, and, together with the armed forces of Battambang and Siem Reap provinces, eliminating all enemy bases along the entire western border.

The people's hatred for the genocidal clique and their determination to protect the revolutionary administration have given rise to many heroic examples. One day, a band of enemy soldiers moved into Chhep District on their way to the border. They stopped over at the X forest to prepare a meal. Mr P., a respectable old man of the Kuoy ethnic minority group, suddenly saw the bandits when he went into the forest with his nephew to look for his buffalo. The old man turned back to his village in a hurry to report the matter to the chief of the village public security service and leader of the village guerrilla unit, then walked through the forest for almost 8 km to seek help from a Vietnamese unit. Later, in a two-pronged attack by a combined force of Cambodian and Vietnamese troops, some 20 Sereika soldiers--including a colonel and a major--were killed, wounded or captured alive. That 79-year-old villager, who has never been away from his village in his whole life, was invited by the revolutionary administration to Phnom Penh to attend the nationwide achievement celebration congress.

The Close Friendship

Comrade Khoy Khunhuor said that when the people of Preah Vihear look at their present life, they cannot help recalling the poverty and misery they endured when they were liberated and rescued from the genocidal Pol Pot clique's hell on earth. At that time, the people of Preah Vihear were deeply moved when truckloads of rice, salt, shrimp paste, and cloth were sent in from the sister province of Thuan Hai. In addition to rice and other crop seeds, writing paper, and chalk, Thuan Hai sent in workers and construction materials to Preah Vihear to restore water conservancy projects and rebuild schools, hospitals, public offices, and houses. Vietnamese experts braved dangers to go to every village and hamlet to help resume production, build schools and public health stations, and render medical treatment to the local people, while volunteer troops from Thuan Hai assisted in building the local army units in the seven districts of Preah Vihear.

These strong ties of brotherhood have enabled Preah Vihear not only to become experienced in fighting against the enemy and defending the homeland, but also to score many achievements in restoring and developing the economy and building a new life. Despite the many difficulties and obstacles it still has to face, the province has managed to increase its rice area and yield annually. Rice yield, which stood at 1.1 metric tons per hectare in 1980, rose to 1.3 metric tons per hectare in 1983 and 1.5 metric tons per hectare in 1985. Suffering from serious food shortages in the past, Preah Vihear is now producing not only enough grain to meet its own consumption but also delivers to the state thousands of metric tons annually to fulfill its obligation.

New factors have begun to appear in production. With assistance from Thuan Hai, Preah Vihear has planted hundreds of hectares of the new rice strain IR 36 in scattered areas, especially in Sangkum Thmei District, and has obtained encouraging initial results, with many localities achieving a yield of 3-4 metric tons per hectare. Some families have done well enough to sell 3-4 metric tons of paddy to the state each year. The cattle population has increased. All working peasants have joined production solidarity teams. With assistance from the sister province of Thuan Hai, Preah Vihear has begun to build its first industrial and handicraft establishments. Thuan Hai has also sent log hauling trucks and helped organize a sawmill to process timber, Preah Vihear's most important product. Machinery repair shops, brick and tile kilns, and farm implements enterprises have been set up. Traditional trades such as rattan and bamboo weaving, sericulture, and sarong making have been restored. All districts and villages have set up smithies to make farm implements and carts....

There have been fairly far-reaching changes in the cultural field. During the times of Sihanouk more than 90 percent of the people were illiterate. Seven years after liberation, more than half of the local population became literate. Today, one out of every four people goes to school. Schools have been built in every village and hamlet. In the past, students wanting to attend Level-II classes had to go as far as Kompong Thom and Kompong Cham provinces. Today, Preah Vihear boasts three Level-II schools and is building more to meet the people's growing needs. The contingent of teachers, some of whom are of the Kuoy ethnic group, has doubled. In the past, there was not a single doctor or physician in the entire province. Today, there is a medical aid station in every village and a hospital in every district, while a 100-bed hospital has been built at the provincial level with the assistance of Thuan Hai. People observe: Life is much better now than it was in the past because there are schools in the hamlets and medical aid stations in the villages.

People of many different ethnic groups--including the Po, the Brau, the Trung, and the Pru--each numbering from a few score to a few hundred people, or nearly 10,000 people as in the case of the Kuoy, live in Preah Vihear. There have been marked changes in the life of the people of different nationalities in the province. Comrade Pouk Pum, of the Kuoy ethnic group, was a member of the Standing Committee of the provincial front committee. Today, in his capacity as chairman of the Choam Khsan District People's Revolutionary Committee and member of the provincial party committee, he has staunchly led the people in fighting against the enemy to firmly defend the border district. Mr Suon, 70, also of the Kuoy ethnic group, joined the party during the anti-French war of resistance. Mr Suon still remembers his Vietnamese friend, Comrade Hung, who introduced him to the party. Today, Mr Suon is a prestigious village elder whose son serves as a village cadre.

Growing Through Trials

There was an important factor in the changes of Preah Vihear, namely the building of the contingent of key cadres and the maintenance of close contact with the masses in party building work. Comrade Khoy Khunhuor said: The districts and villages are the sources of cadres for the province. First of all, cadres must be tried in combat and in the mass movement. Consolidation of the districts provide a basis for developing the villages. The province and districts send capable cadres to bolster the leadership of the lower levels. In general, all cadres in the province have registered to serve at the grassroots level. A policy has been adopted to make periodic appointments of cadres to the grassroots level and to provide for them to take turns going to the districts and villages to guide work. The secretary of the provincial party committee once led a group of provincial and district cadres to work for a month in the villages. There, they carefully inspected all fields of work; looked into production solidarity teams [words indistinct] militia and guerrilla units; brought to light the commendable as well as the unsavory; and selected young, zealous, and well-educated cadres with a clean background to consolidate the administrative apparatus. In so doing, they furnished the districts with experience in leadership. This practice was later expanded to the entire province. It is through the trials in the mass movement throughout the past 7 years that many cadres of Preah Vihear have rapidly matured. At the recent fifth party congress, one of these comrades was elected to the Political Bureau and antoher to the party Central Committee.

The fifth KPRP Congress has illuminated the path of advance of the Cambodian revolution. In the period ahead, implementing the resolution of the congress, Preah Vihear will carry out the important task of actively building strong military and paramilitary forces so as to eventually defend its localities by itself. On the other hand, the province will make every effort to build the party, especially to build firm and strong party bases, and to implement the policy laid down by the fifth KPRP congress--namely, to bring into full play the four economic strengths. In the case of Preah Vihear, the most important task is to promote the production of grain and timber since forests account for more than 90 percent of the provinces area.

Together with the rest of the country, Preah Vihear is advancing with a new impetus in the new spring.

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CSO: 4209/380

MILITARY AFFAIRS AND PUBLIC SECURITY

YOUTH UNION MEMBERS HELP AUTHORITIES MANAGE MARKET

Ho Chi Minh City SAIGON GIA PHONG in Vietnamese 3 Jan 86 p 4

[Article by P.T.: "Youth Union Members, Young People Uncover Many Cases of Making Inferior, Counterfeit Goods, Unauthorized Merchandising"]

[Text] SAIGON GIAI PHONG NEWS AGENCY--After the contents of the 1986 joint-participation notice between the Ho Chi Minh Communist Youth Union and the municipal market management sector was communicated to such organizations as factories, stores, and neighborhoods, there have been in-depth market management activities in union chapters, the Ho Chi Minh Vanguard Teenagers Unit, and neighborhood teams in the city. Mass organizations tied mass propaganda and education efforts and participation in market management to reorganizing life in the locality, solving documentation problems, and building a new cultural life. Many union members became skillful operatives in the market management network. In Go Vap District, youth union members uncovered more than 200 cases of unauthorized production and transport and under-the-counter dealings, recovering for the state a quantity of goods valued at 1,700,000 dong. In Wards 1 and 3, thousands of youth union members in sales, purchasing, and storage operations of the trade sector have signed up to fight such misdemeanors as conspiring with peddlers and distributing goods internally, and to establish ways of selling goods directly to the consumer. Union members in Subward 6 of Ward 6 and Subward 4 of Ward 4 aggressively organized operatives to inspect production. At Ban Co, Go Vap, and Nguyen Tri Phuong Markets, youth union members coordinated with market management boards to mobilize small merchants to post prices and sell at the prices posted. The youth union of loaders and cart pushers in Binh Tay Market also uncovered many cases of unauthorized sales.

Subwards and villages were able to establish more than 300 neighborhood-level Assault Youth Units and to recruit nearly 5,000 youth union members to participate in market management. This force regularly coordinates with local public security forces and personnel in charge of market management to preserve security and order in the locality.

Youth union members are concentrating on fighting speculation, black marketeering, and making inferior and counterfeit goods and on price management in order to contribute to market stability.

9830
CSO: 4209/301

BRIEFS

STUDENTS JOIN SECURITY FORCES--The Ministry of Interior held a conference on 4-5 March to discuss measures to recruit students into the public security forces for 1986-87. Thanks to supervision by the Ministry of Interior and assistance by the Ministry of Higher and Vocational Education, various echelons of local party committees and administration, general high schools, and other education organizations scored great achievements in the recruitment last year. The conference set forth requirements, targets, methods, and measures in recruiting students for the public security forces during the 1986-87 academic year. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 5 Mar 86 BK] /12640

CSO: 4209/372

INTERNATIONAL RELATIONS, TRADE, AND AID

9,000 WORKERS TO BE SENT TO USSR IN 1986

OW100912 Hanoi Domestic Service in Vietnamese 1100 GMT 9 Mar 86

[Text] The Propaganda and Education Office of the International Labor Cooperation Department [cucj howpj tacs quoocs tees veef lao doongj] of the Ministry of Labor has reported the following:

To score achievements to hail the success of the 27th CPSU Congress, the International Labor Cooperation Department has completed preparations to fly the first group, 150 people, to work in various industrial sectors in the Soviet Union, in accordance with documents signed by Vietnam and the fraternal country.

According to the plan, some 9,000 people selected as employees in the Soviet Union for all of 1986 will be sent to work in the textile, tailoring, leather shoe production, construction, and mechanical sectors in the southern and southwestern parts of the Soviet Union. Prior to their departure, the International Labor Cooperation Department has organized short-term classes to brief them on various matters, such as the significance and importance of international labor cooperation; the employees' responsibilities, obligations, and benefits; the content of the agreement on labor cooperation between Vietnam and the Soviet Union; and the Soviet labor code.

During the days the 27th CPSU Congress met, the International Labor Cooperation Department received many messages from our Vietnamese brothers and sisters working in the Soviet Union, the GDR, Czechoslovakia, and Bulgaria reporting their achievements scored recently in honor of the congress.

Some 10,000 Vietnamese textile workers in the Soviet Union completed the 1985 plan ahead of schedule and most of them have begun implementing the 1986 plan since the end of the fourth quarter of 1985, determined to achieve high productivity, quality, and efficiency as a way to greet the congress with practical actions.

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CSO: 4209/372

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

VIETNAM-LAOS FRIENDSHIP ASSOCIATION MEETS--Hanoi VNA 7 Mar--The executive committee of the Vietnam-Laos Friendship Association met here today to review their achievements over the past years and work out a program of action for the coming period. The meeting, presided over by Hoang Truong Minh, member of the Communist Party of Vietnam Central Committee and president of the association, was attended by representatives of chapters of the Vietnam-Laos Friendship Association, the Foreign Ministry, the party CC's International Department, and other mass organizations. The participants noted that the association has made active contributions to strengthening the friendship and cooperation between the two countries, especially its activiites in celebration of the 10th National Day of the Lao People's Democratic Republic. They discussed measures to further develop the militant solidarity and friendship among the Indochinese countries. /Text/ /Hanoi VNA in English 1551 GMT 7 Mar 86 OW/ 12228

CPSU CONGRESS HAILED--Hanoi VNA 8 Mar--The Central Committee of the Vietnam fatherland front held a meeting here today to welcome the success of the 27th Congress of the Communist Party of the Soviet Union. Present were Hoang Quoc Viet, honorary president of the VFFCC, members of VFF Presidium and Central Committee. Dao Tung, director general of Vietnam News Agency and secretary general of the Vietnam Journalists' Association, briefed the meeting about the work of the congress and the fundamental contents of the documents it has adopted. On this occasion, the VDFCC has sent a congratulatory message to the Central Committee of the Union of Soviet Societies of Solidarity and Friendship with Foreign Countries. The message says among other things: "We joyfully welcome the congress's success which is for us a great source of encouragement and experience, a bright example of revolutionary ardour, sense of responsibility and socialist working style." /Text/ /Hanoi VNA in English 1510 GMT 8 Mar 86 OW/ 12228

GUINEAN PRESIDENT MEETS NEW SRV AMBASSADOR--Hanoi VNA 8 Mar--"The government and people of the Repbulic of Guinea and I myself want to develop the friendly relations and allround cooperation between our two countries," said President Lansana Conte while receiving Vietnamese Ambassador to Guinea Pham Van Son who presented his credentials recently. President Lansana Conte praised the heroic struggle of the Vietnamese people against imperialist forces in the past and their persistent efforts in the reconstruction of their homeland at present. He highly appreciated the wholehearted support of the Vietnamese people for the Guinean people's struggle for their national independence and propserity, and wished the Vietnamese people new successes in building a prosperous nation. /Text/ /Hanoi VNA in English 1500 GMT 8 Mar 86 OW/ 12228

SRV-BULGARIA AMITY ASSOCIATION MEETS--Hanoi VNA 8 Mar--The executive committee of the Vietnam-Bulgaria Friendship Association held its plenary session in Hanoi today under the chairmanship of its president Nguyen Ngoc Triu, member of the Communist Party of Vietnam Central Committee. Also attending the session were representatives of the offices and establishments which have sworn sisterhood with Bulgaria, the Foreign Ministry, the party Central Committee's International Department and other concerned bodies. Reviewing the association's activities last year, the committee noted with joy the unceasing development of the friendly ties and cooperation between Vietnam and Bulgaria. In 1985, the Vietnam-Bulgaria Friendship Association, in collaboration with the Bulgarian Embassy in Vietnam, undertook wideranging activities aimed at deepening the Vietnamese people's knowledge about Bulgaria. In particular, it helped mobilize Vietnamese public opinion for demanding the release of the Bulgarian citizen S. Antonov falsely charged with implication in the murder attempt against the pope. /Text/ /Hanoi VNA in English 1505 GMT 8 Mar 86 OW/ 12228

CPV DELEGATION LEAVES FOR INDIA--Hanoi VNA 8 Mar--A delegation of the Communist Party of Vietnam led by Vu Oanh, member and head of the Department for Agriculture of the CPC Central Committee, left here today for India to attend the 13th Congress of the Communist Party of India (CPI) to be held shortly in Patna, capital city of Bihar state. Promnent among the farewell party was Vu Quang, member and head of the International Department of the CPVCC. /Text/ /Hanoi VNA in English 1458 GMT 8 Mar 86 OW/ 12228

COOPERATION PROGRAM SIGNED--Hanoi VNA 9 Mar--A cooperation program in the 1986-90 period was signed here recently between the Vietnamese Writers' Association and the Union of Soviet Writers. Under the program, the two organizations will exchange experience, hold cultural days and celebrate major anniversaries of the two countries, organize gettogethers between Soviet and Vietnamese writers, and increase the translation and publication of their works. /Text/ /Hanoi VNA in English 1557 GMT 9 Mar 86 OW/ 12228

INDONESIAN MILITARY DELEGATION TO VISIT Hanoi 10 Mar (AFP)--An Indonesian military delegation led by army chief of staff General Rudini is to go to Hanoi for several days at the end of this month, informed sources said Monday. The visit, at the invitation of the Vietnamese defense minister, seems to be aimed at information-gathering and strengthening relations between the Vietnamese and Indonesian armies, the sources said. General Rudini's visit would be the first to Vietnam by an Indonesian Army chief of staff. Vietnamese Defense Minister Gen Van Tien Dung went to Jakarta last April in a return visit for Indonesian Armed Forces Commander in Chief Gen Benny Murdani's February trip to Hanoi. /Text/ /Hong Kong AFP in English 0716 GMT 10 Mar 86 HK/ 12228

COUNCIL CONFERS ORDER--The SRV Council of State, pursuant to Article 100 of the SRV Constitution and in accordance with the Council of Ministers' recommendation, hereby decides to confer the Gold Star Order on Comrade Jambyn Batmonh, general secretary of the Mongolian People's Revolutionary Party Central Committee and chairman of the Presidium of the Mongolian People's Republic National Assembly, in recognition of his great contributions to consolidating and strengthening the friendship, militant solidarity, and all-round cooperation between Mongolia and Vietnam, and on the occasion of his 60th birthday. [Dated] Hanoi, 7 March 1986 [Signed] Truong Chinh, chairman of the SRV Council of State [7 March SRV Council of State Decision] [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 9 Mar 86] /12640

POLISH HANDICRAFT DELEGATION VISITS--At the invitation of Vietnam's Central Federation of Handicrafts Cooperatives, a delegation of Poland's Central Union of Handicrafts Cooperatives led by (Fyelanbov), chairman of the union, visited our country from 27 February to 8 March 1986. During its stay in Vietnam, the delegation visited President Ho Chi Minh's masuoleum and his lifetime home and working place. Comrade Do Muoi, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, coridally received the delegation. The delegation worked with a delegation of Vietnam's Central Federation of Handicrafts Cooperatives, which was led by the federation chairman, (Tran Luu Vi). The delegation also visited and worked with the unions of cooperatives in Hanoi and Ho Chi Minh City. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 7 Mar 86] /12640

PARTIES ACTIVITIES AND GOVERNMENT

DONG SY NGUYEN VISITS THANH HOA PROVINCE

BK071119 Hanoi Domestic Service in Vietnamese 2300 GMT 6 Mar 86

[Text] Comrade Dong Sy Nguyen, alternate member of the CPV Central Committee Political Bureau and vice chairman of the Council of Ministers, recently worked with leading cadres of Thanh Hoa party and people's committee; representatives of the ministries of communications and transportation, national defense, and food industry; and representatives of sectors concerned on plans for three key communications projects in 1986 and subsequent years. These projects will be undertaken with local funds and contributions made by the sectors concerned.

Comrade Dong Sy Nguyen stressed the signifance of the motto: The state and people work together, and the central and local administration work together. In applying this motto, localities must fully exploit their labor and natural resources, while central sectors contribute money and material to be used by localities and sectors concerned on these projects. These are projects for which the state does not have enough money. In this spirit, in 1986 Thanh Hoa will begin building the Moc Son bridge, and expand and raise the levels of the Lam Sinh-Sao Vang and Yen Cat-Nghia Dan routes, the two communications lines linking the sugarcane, sugar, and tea economic areas of the province. The Mosc Son bridge will be built of concrete. It is more than 200 meters long and spans the Chu River. When finished, the bridge will help ease ferry traffic across the river.

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CSO: 4209/372

PHAM VAN DONG ADDRESSES HANOI WOMEN'S MEETING

OW081405 Hanoi Domestic Service in Vietnamese 1100 GMT 8 Mar 86

[Excerpts] Dear friends: The Hanoi municipal chapter of the Vietnam Women's Union held a solemn ceremony this morning at the Vietnamese-Soviet culture house to mark the 76th international women's day, 8 March, and the anniversary of the two Trung sisters [Vietnamese heroines in the first century].

Chairman of the Council of Ministers Pham Van Dong attended and addressed the meeting. Also present were Comrades Nguyen Thi Dinh, member of the CPV Central Committee and chairman of the Vietnam Women's Union; Tran Vy, member of the CPV Central Committee and chairman of the Hanoi Municipal People's Committee; and Pham Khac Quang, chairman of the Hanoi VFF chapter; comrades in the Standing Committee of the Hanoi municipal party committee and people's committee, the Vietnam Women's Union, the Hanoi chapter of the Vietnam Women's Union; and a large number of women from various sectors and committee at the central level and in Hanoi representing 750,000 women in the capital.

In her report at the ceremony, Comrade Phuong Kim Dung, chairman of the Hanoi women's chapter, pointed out the achievements of the capital's sisters over the past years.

Chairman of the Council of Ministers Pham Van Dong conveyed greetings from the CPV Central Committee to the capital's women and warmly hailed their achievements over the past years.

In order to contribute to building Hanoi, the capital, into a prosperous, beautiful, and civilized city, Chairman Pham Van Dong urged the women to perform well three tasks: make positive contributions to economic, cultural, scientific, and technical developments; strive for better equality between men and women; and endeavor to score greater progress in labor, study, and scientific and technical research, in order to enhance their knowledge and improve their lives. Only by doing so can they make many contributions to society.

For the immediate future, he said, the chapter echelons must organize the women to participate positively in market management, thus combating rises in commodity prices and contributing to meeting the livelihood needs of wage earners. Women must do a good job in production in order to produce abundant goods; make the capital increasingly civilized; make positive contributions to the movement to safeguard political security, stabilize the economy, and enhance culture; and do a good job in carrying out the mass revolutionary movement.

/6662
CSO: 4209/380

ECONOMIC PLANNING, TRADE, AND FINANCE

NGUYEN VAN LINH ADDRESSES CONFERENCE ON COST REDUCTION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Jan 86 pp 1,4

[Article by V.H.L.: "Comrade Nguyen Van Linh Presents Five Measures To Reduce Costs"]

[Text] SAIGON GIAI PHONG NEWS AGENCY--On 31 December 1985, at Dong Phuong Textile Mill, about 200 enterprise directors, representing central echelon and municipal units and committees, attended the ninth conference of the Directors' Club. The conference theme was "cost accounting at the new price and wage scales."

Comrade Nguyen Van Linh, a member of the Political Bureau and secretary of the Municipal Party Committee, attended the conference.

Talking to the directors, Comrade Nguyen Van Linh reviewed the struggle of state-operated enterprises, from the appearance of Resolution 6 of the Party Central Committee's 4th session to the present, to overcome difficulties, conduct combined and joint operations, balance their own plans, keep in touch with the market, develop production, and see to the daily life of workers. An especially important issue today is that enterprises must operate at a profit and compensate for costs so that the state does not have to make up for them; yet costs must be lowered in the interest of workers and working people. He reminded enterprises that if they wanted to reduce costs, they had to pay attention to five measures: conserving energy, supplies, and raw materials; applying scientific and technological advances in production; increasing labor productivity; reducing middlemen; and reducing unreasonable costs.

After that, Comrade Nguyen Van Kinh, vice chairman of the Municipal Price Commission, presented initial results in the recent effort among enterprises to spread the practice of calculating all production costs in prices. By many methods, such as technical improvements, conserving supplies and raw materials, reorganizing production, and reorganizing labor, many enterprises were able to reduce costs 10 to 40 percent below original targets. Freight charges for such items as bricks, tiles, and Western medicine did not follow guidance from the central echelon, nor market prices. Based on planned output, the total amount of cost reduction by municipal industries in the fourth quarter reached 200 million dong, of which a 116 million dong reduction in costs below original targets was made by the Industrial Service.

Nevertheless, many enterprises still fail to pay sufficient attention to cost reduction measures, or they include in costs many unreasonable expenses pertaining to labor and supply norms.

Subsequent reports by the directors of Dong Phuong Textile Mill and Tam Lop Enterprise presented many concrete and positive measures for reducing costs at units and suggested many concrete measures for solving problems caused by bureaucracy and subsidies, such as financial administration and price structures.

Bringing the conference to a close, Comrade Vo Thanh Cong, head of the Municipal Industry Committee, summarized experiences and opinions for subsequent proposal to the central echelon and to the city to build a new system of economic management aimed at implementing Resolutions 6, 7, and 8 of the Party Central Committee. He affirmed that it was still possible to cut costs much more and appealed to the enterprises to "create a widespread and intense movement among industrial workers, cadres, and the masses to participate in construction and to lower costs."

9830
CSO: 4209/301

ECONOMIC PLANNING, TRADE, AND FINANCE

EDITORIAL APPEALS FOR NEW DEVELOPMENTAL POSTURE IN NEW YEAR

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Jan 86 pp 1,4

[Editorial: "New Year, New Developmental Posture"]

[Text] With great efforts in 1985, our city's working people have concluded the second 5-year plan (1981-1985) and have stepped into 1986, the first year of the third 5-year plan (1986-1990).

Looking back over the past months and years, while there were many dissatisfactions, even things to be angry about, we see, objectively, many things to treasure and be proud of. Those were months and years when compatriots of our city, along with compatriots throughout the land, worked and fought arduously, violently, bravely, and brilliantly in the aim of resolving circumstances of weak development of the material and technology base and circumstances of ugency regarding food, consumer goods, energy, and raw materials. They were also months and years when we fought resolutely to overcome severe consequences of natural disasters and to counter the opposing and insidiously destructive actions of the enemy. They were months and years in which our people and armed forces, under the leadership of the party, won great victories in both of the strategic missions.

Implementing Resolutions 6, 7, and 8 of the Party Central Committee and resolutions of the Municipal Party Committee, the working class and working people of the city have advanced a step in promoting initiative, action, and ingenuity, and have risen above difficulties and crises to win many important victories in every field, signifying very remarkable progress in reform and construction and in new changes in the economic management system.

Through practical actions, our city, with other cities and provinces throughout the country, has contributed to clarifying and enriching the line, principles, and policies of the party in the first stretch of road in the transitional period. With efforts that were by no means petty, we have contributed and continue to contribute strong testament to the correctness of Resolution 8 of the Party Central Committee and Resolution 28 of the Political Bureau. Resolution 8 is enabling perfection and implementation of the new management system structure in the public economy in general and in state-operated industry in particular built in accordance with the previous Resolution 6 of the Central Committee. Implementation of Resolution 8 has begun to realize the positive effects of the new policy. Many industrial enterprises and many agricultural, forestry, marine, and trade units have made significant changes in the organization and management of production and business, have utilized initiative and creative methods to overcome difficulties with materials and energy, and have completed production plans, cut costs, and raised product quality. Efforts to reduce costs and raise product quality are being vigorously pursued with a sense of responsibility in many economic units of the city. Though there are still many difficulties and obstacles to be overcome, it is a strong and valiant revolutionary movement, reflecting many hopes and current potential. Although efforts to implement Resolution 8 are preliminary ones and have in fact reflected a number of errors, have turned up many new valuable factors which serve as a good basis for changing economic activities according to law.

Since the fourth quarter of 1985, shortcomings in price, wage, and money reform have caused many complications that had a bad influence on the socioeconomic situation, but this never changed the revolutionary nature and correctness of Resolution 8. Reverses and errors that nobody wanted have provided useful lessons to make us stronger and more resolute in the implementation of Resolutions 6, 7, and 8, with the aim of converting all economic activities over to a new, effective posture.

The party organization and people of the city are stepping into 1986 with lessons and experience of 10 years of reform and construction. Thoroughly imbued with Resolutions 6, 7, 8, and 9 of the Central Committee and resolutions of the Municipal Party Committee, we will positively, step-by-step implement changes in planning from the basic level up in production and business, and thereby fully activate the strength and potential of each locality. In the formulation and implementation of the 1986 plan, we will tie the socioeconomic effort with the mission of security and national defense, and tie the effort to reorganize and rearrange production and change the economic management system to that of improving and strengthening socialist production relations.

This new year, let us have great resolve. Let the working class and working people of the city activate self-reliance, courage, capability, and creativity, actively participate in plan formulation and implementation from the basic level up, work hard at production, and practice conservation. Localities and economic units, activate the power of the masses with the aim of exploiting all real potential in labor, the material and technical base, and land. Struggle to reduce costs and increase product quality, further improve distribution and circulation, taking good care of the daily life of working people, and increase security and national defense.

This new year, our compatriots and comrades are resolved to create a new posture for our city and to contribute new work and creativity to the tasks of constructing and defending the Fatherland.

9830
CSO: 4209/301

AGRICULTURE

BRIEFS

ACIDIC SOIL AFFORESTATION IMPROVEMENT--Hanoi VNA 9 Mar--The Trem river fishery and forestry farm is a pacesetter in the planting of cajeput to reclaim acidic land in the U Minh swamps in South Vietnam. Under the watchword "combining the efforts of the state and the population" the farm has over the past 3 years, planted more than 4,282 ha of cajeput among the 10,000 ha under the farm's care. Large swampy areas in U Minh have for centuries been left waste due to acidity. By (?combining) the desalination of the soil by irrigation with the method of transplanting cajeput the farm has boosted the survival rate of cajeput by more than 95 percent compared with the past. Where the cajeput forests extend, bees, fish, shrimp, monkeys, snakes, boas, birds, and other "habitue's" of the swampy marshes return. Thanks to an expanding irrigation network which is supplying fresh water to all the cultivated acreage, crayfish rearing is growing quickly from year to year. /Text/ /Hanoi VNA in English 1454 GMT 9 Mar 86 OW/ 12228

CSO: 4200/791

HEAVY INDUSTRY AND CONSTRUCTION

CONCRETE-POURING COMPLETED AT TRI AN HYDROPOWER PLANT

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 5 Jan 86 p 1

[Article by T.T.A.: "At Tri An Hydroelectric Plant: Last Cubic Meters of Concrete of 1985 Plan Poured"]

[Text] SAIGON GIAI PHONG NEWS AGENCY--On the afternoon of 31 December 1985, at Tri An Hydroelectric Project, the Federation of Water Conservancy Construction Enterprises 4 poured the final cubic meters of concrete of the 25,000 type at the overflow dam, and General Construction Company 1 poured the final cubic meters of concrete of the 5,000 type at the foundation of the main hydroelectric plant.

In 1985, though confronted with many problems with such things as machinery and equipment, supplies, raw materials, and blueprints, both of the above units struggled to overcome difficulties and keep construction going at a high level of efficiency. Federation of Water Conservancy Construction Enterprises 4 excavated 2,140,000 cubic meters of earth and more than 614,000 cubic meters of rock, packed more than 2,790 cubic meters of earth and more than 336,000 cubic meters of rock, and poured 36,000 cubic meters of concrete at the main and secondary projects. General Construction Company 1 excavated more than 1,700,000 cubic meters of earth and rock, blasted more than 6,000 cubic meters of rock to level the foundation, built a 687-meter trough, and poured 5,000 cubic meters of concrete.

Starting on the 1986 plan, both of the main construction units must insure that they basically complete the main dam and secondary dams, overflow dam, the canal between the two lakes, the canal to bring water in, the canal to conduct water out, and the foundation of the main plant in order to coordinate with lateral units on time to dam the river at the right moment, ensuring transmission of Powerhouse 1 electricity at the end of 1987. On 1 January 1986, the main construction companies at Tri An, such as Water Conservancy Enterprises 1 and 2, the Machinery Assembly Enterprise (General Construction Company No. 1), and Mechanical Construction Enterprise No. 9 (Ministry of Construction), held a New Year troop send-off celebration. The above units also launched a labor movement to make achievements in honor of the Founding of the Communist Party of Vietnam (3 February) and complete plan targets for the first quarter of 1986.

9830
CSO: 4209/301

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

THAI BINH NATURAL GAS--Over the past 3 years the Oil and Gas Corporation No 1 of the Oil and Natural Gas General Department has exploited 1.47 million cubic meters of natural gas in area of Tien Hai District, Thai Binh Province. The gas has been supplied to the Tien Hai electric power plant and a number of industrial production establishments in the province. In 1986 the corporation plans to increase its production output by 50 percent compared with 1985. Thanks to Soviet assistance in terms of materials and equipment, the corporation has completed many exploration projects to exploit more natural gas. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 6 Mar 86 BK] /12640

SUPPORT OF OIL EXPLORATION--The united salvaging and rescue enterprise of the Ministry of Communications and Transportation has expanded its operation of affiliating itself with the joint Vietnamese-Soviet oil and natural gas enterprise. The united salvaging and rescue enterprise is responsible for work related to diving, food supply, and safety at the construction sites of off-shore oil and natural gas projects in the Back Ho area. The enterprise has selected competent workers and divers for advanced training to improve their technical and professional skills in such a way as to suit its new task and ensure high efficiency. Thanks to the adequate preparation of equipment, the enterprise's cadres and workers, together with the 4,800-HP salvager, Visal, were able to reach the area of operation ahead of schedule on 1 March. This was a new achievement scored by these cadres and workers to honor the 27th CPSU congress. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 9 Mar 86] /12640

CSO: 4209/372

END

JPRS-SEA-86-054

25 March 1986

Southeast Asia Report

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JPRS-SEA-86-054

25 March 1986

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INDONESIA

FRANCE SUPPORTS JAKARTA TO HOST ITTO HEADQUARTERS

Jakarta ANTARA NEWS BULLETIN in English 14 Feb 86 pp A1, A2

[Text] Hamburg, 14 Feb (ANTARA)--The French Government has supported Indonesia's struggles to make Jakarta host of the International Tropical Timber Organization (ITTO) headquarters.

The support was made clear by French Junior Minister for Forestry, Souchon, during a meeting with Indonesian Forestry Minister Sudjarwo in Paris Wednesday.

Souchon told Sudjarwo that France fully understood the important position of Indonesia as a main producer of tropical timber, the Indonesian Embassy in Paris told ANTARA Thursday.

The French Minister also promised to generate support from other European Economic Community (EEC) members, if the Netherlands withdrew the nomination of Amsterdam as the venue of the ITTO headquarters.

Paris' step is expected to be followed by African countries, which are ex-French colonies.

French President Francois Mitterrand had earlier promised his government support to Jakarta when he met President Soeharto in Rome last November, after both leaders addressed the Food and Agriculture Organization (FAO) assembly.

Netherlands Reapproached

Minister Sudjarwo Thursday left Paris for the Hague to meet the Dutch Minister of Agriculture/Fishery, Braks and Prince Bernhard, husband of Princess Juliana and concurrently chairman of the World Wildlife Fund.

It was learnt, Sudjarwo's visit was aimed at reassuring the Hague that Jakarta was the correct place for the ITTO headquarters.

Foreign Minister Mochtar Kunumaatmadja had made a similar approch when he visited the Netherlands last January.

If Amsterdam withdraws, Yokohama, Japan, will be Jakarta's only competitor, Japan, which has no tropical forest at all, is still striving to make Yokohama the ITTO centre.

From the Hague, Sudjarwo is scheduled to fly to Stockholm to win support from the Nordic countries (Norway, Sweden, Denmark, Iceland and Finland).

/9274
CSO: 4200/781

MOCHTAR: ITTO ISSUE WILL NOT AFFECT RELATIONS WITH JAPAN

Jakarta ANTARA NEWS BULLETIN in English 19 Feb 86 p A10

[Text] Jakarta, 19 Feb (ANTARA)--Japan's determination to propose Yokohama for would be headquarters of the International Tropical Timber Organization (ITTO) will not affect relations between Japan and Indonesia, Foreign Minister Mochtar Kusumaatmadja has stated.

Speaking before newsmen at the Soekarno-Hatta airport soon after his arrival from the United States Tuesday night, Mochtar said the two countries had agreed to settle amicably problems arising in connection with the plan to set up the ITTO headquarters.

The foreign minister pointed out that the Netherlands, Japan and Indonesia had respectively proposed Rotterdam, Yokohama and Jakarta for would be ITTO headquarters.

Mochtar has just visited the United States and Japan to seek the understanding of the two countries in Indonesia's proposal to set up the ITTO headquarters in Jakarta.

For the same purpose, he made tours of countries grouped in the European Economic Community (EEC) in January this year.

The location of the ITTO headquarters will be determined at a meeting of the International Tropical Timber Council (ITTC) in May this year, the minister explained.

/9274
CSO: 4200/781

BKPM-BAPINDO COOPERATION TO PROMOTE INVESTMENT

Jakarta ANTARA NEWS BULLETIN in English 13 Feb 86 p A5

[Text] Jakarta, 12 Feb (ANTARA)--The National Investment Coordinating Board (BKPM) and the Indonesian Development Bank (Bapindo) have agreed to cooperate in encouraging both domestic and foreign investments particularly in the regions.

Ir. Eddy Sanyoto, vice chairman of BKPM, said this to ANTARA here Wednesday following his meeting with Subekti Ismaun, President Director of the Bapindo.

He said that the Bapindo has agreed to provide funds for projects offered by the BKPM to encourage investment in the regions.

The Bapindo and the BKPM agreed to form a "sub-team" in charge of studying and determining feasibility studies at the BKPM to be promoted in the regions.

Projects that get priority from the BKPM will be promoted through the Bapindo branch offices, he said.

The BKPM and the Bapindo will jointly compile a list of primary clients to be given recommendations as business partners for the would-be foreign or domestic investors.

To promote Indonesianisation of the shares in foreign capital investment companies (PMA) which has been in operation for ten years in Indonesia, Bapindo will assist the BKPM in nationalizing capital investment by offering the shares to its primary clients so that capital investment could stand at a ratio of 51 percent domestic investment and 49 percent foreign investment, Eddy Sanyoto said.

Meanwhile, Subekti Ismaun on the occasion said that the Bapindo will assist investors who have got approved letters (SPT) from the BKPM so far as the projects are considered feasible by the bank.

The Bapindo up to the end of 1985 has provided Rp. 1 trillion of accumulative investment credit and Rp. 300 billion of sectoral investment credit.

The amount of investment approved by the BKPM in 1985 was recorded at Rp. 4.6 trillion. Of teh total, 80 percent were domestic investment and the remaining 20 percent were foreign capital investment. Based on the recommendation of the governor of the Central Bank, the government is now looking into further lowering the interest rate of the government banks for credit loan.

/9274
CSO: 4200/780

DIFFERENCE IN SYSTEMS HAMPERS TRADE WITH EAST EUROPE

Jakarta BUSINESS NEWS in English 21 Feb 86 p 7

[Text] The difference of foreign trade systems applied in Indonesia and in East Europe is the main factor that hampers the growth of Indonesia's trade relations with countries in that region, according to Edward Simanjuntak, chairman of the Indonesian Association of State Trading Companies.

Speaking at a meeting with Parliamentary Commission VII here recently, Simanjuntak stated further that Indonesia's trade relations with East European countries had a good future, but the prospect was not so bright as trade activities between Indonesia and the West European countries.

The trade policy adopted by the East European countries are different in many ways with the Indonesian foreign trade policy, which in some ways is similar to the open and free policy adopted by the West European countries, he explained.

He pointed out that the East European countries almost always proposed that the purchase of goods from Indonesia should be countervailed with Indonesia's imports from the East European countries concerned, including the import of complete projects and services.

The East European countries usually appoint certain companies to handle annual transactions and determine the time limit of the business activities, he said further. They also proposed banking arrangement for the realization of the clearing system, he added.

On the contrary, Indonesia gives freedom to its exporters and importers to carry out transactions, buy foreign exchange and determine banks which will act as suppliers of business activities, he said, adding that Indonesia preferred to appoint not only one bank.

He mentioned the need to implement special regulations and procedures to promote trade relations between Indonesia and the East European countries as well as Vietnam.

He pointed out that the unavailability of regular shipping services for direct routes between Indonesia and the European countries was another factor causing the unsmooth growth of Indonesia's trade with that region.

Indonesia's export commodities offered by state trading companies to East Europe have so far consisted of coffee, coal, textile, urea fertilizer and cement. Coffee supply from Indonesia to East Europe in 1985 comprised 181.25 tons worth US$244,687.50 to East Germany and 510 tons valued at US$551,000 tons to Romania. Indonesia's textile exports to Vietnam in the same year stood at 600,000 yards worth US$311,100. In 1983, Indonesia exported 10,000 tons of coal worth US$.360,000 to Vietnam.

/9274
CSO: 4200/780

LNG SHIPMENT TO ROK TO START IN JUNE

Jakarta ANTARA NEWS BULLETIN in English 16 Feb 86 pp A2, A3

[Text] Medan, 15 Feb (ANTARA)--PT. Arun Natural Gas Liquefaction Company plans to ship LNG to South Korea for the first time next June, Vice-President J. R. Oekon said to ANTARA Friday.

J. R. Oekon said that the shipment of LNG to South Korea need not wait for the completion of the Arun 3 plant project, which is specially reserved for South Korea, but it can be carried out with LGN from other Arun plant projects.

PT. Arun Vice-President J. R. Oekon was in Lhokseumawe to witness the 100th shipment of LNG from PT. Arun's second plant.

With the realization of LNG shipment to South Korea Pertamina will be successful in expanding its LNG market (so far only Japan).

According to the contract between Pertamina and South Korea, signed 12 August, 1983, South Korea will buy about 2.1 million tons of Indonesia LNG a year for 20 years.

J. R. Oekon hinted that the official price of Indonesian LNG will stay at US$14 million per shipment although the price is subject to the petroleum price. "The official price of the Indonesian petroleum has not come down. Therefore, the price of the Indonesian LNG stands as before," he said.

PT. Arun Natural Gas Liquefaction Co. is a joint venture company between Pertamina, Mobil Oil and Jilco (Japan's buyers of Indonesian LNG) with Pertamina holding the most shares. Indonesia supplies 50 percent of Japan's LNG needs recording at about 30 million tons a year. PT. Arun's production of LNG at present totals 683 shipment.

According to J. R. Oekonabundant LNG deposits have been discovered in the off-coast of North Aceh. However, he said that another plant may still be built in this Arun gas fields if there are other countries interested in buying Indonesian LNG.

LNG trade needs an integrated cooperation because the buyers should be able to provide a special dumping terminal, special LNG ships and the producers must build the plant.

/9274
CSO: 4200/781

PEAT UTILIZATION AGREEMENT WITH FINLAND SIGNED

Jakarta ANTARA NEWS BULLETIN in English 10 Feb 86 p A6

[Text] Jakarta, 10 Feb (ANTARA)--Secretary General of the Mines Ministry Adwar Nurhadi and Finnish Ambassador to Indonesia Erik Heinrichs Monday signed a cooperation agreement for the development and utilization of peat in Central Kalimantan.

Based on the cooperation agreement, Finland will provide experts in the field of peat utilization, equipment and vocational training to Indonesian workers and conduct a feasibility study which will cost about 5.5 million Finnish marks (about one million U.S. dollars).

While, Indonesia is 1985/86 fiscal year provides about Rp 350 million for a plot of land and its operational expense. [as published]

Before the agreement was signed, the activities for the development and utilization of peat have been conducted among other things by sending nine Indonesian experts to Finland to study the peat utilization technology for two months beginning July, last year.

The feasibility study on the peat utilization in Central Kalimantan is expected to yield by July 1987.

Adwar Nurhadi stated that Indonesia has great quantities of peat reserves in Sumatera, Kalimantan and Irian Jaya. Peat can be used as fuel and for plant seedling nursery.

The cooperation with Finland is aimed at utilizing peat for electricity power generator in areas surrounding the regions where peat is found.

Data from the Mines and Energy ministry show that peat reserves in this country covers about 26 million hectares, while each kilogram of peat is estimated to produce energy between 4,000 to 4,500 kilo calories.

/9274
CSO: 4200/780

TRADE DEFICIT WITH CANADA DESCRIBED

Jakarta ANTARA NEWS BULLETIN in English 13 Feb 86 p A8

[Text] Jakarta, 13 Feb (ANTARA)--The trade balance between Indonesia and Canada has in the past five years always been in favour of Canada. "This is due among other things to the lack of aggressiveness of Indonesian exporters to penetrate the Canadian market," said Indonesian Ambassador to Canada Abubakar Adiwoso here Thursday.

He was accompanying Indonesian Minister of Trade Rachmat Saleh in receiving Canadian Minister of International Trade James Kelleher, who arrived here Wednesday evening for a three-day visit.

Ambassador Abubakar told the press that the low aggressiveness of Indonesian entrepreneurs in penetrating the Canadian market has some how been the result of the unavailability of information about the Canadian market.

To overcome this problem, he said Indonesia will shortly appoint a trade attache for Canada, who will dispatch current information on the Canadian market to Indonesian entrepreneurs.

He considered very timely the visit of the Canadian Minister of International Trade as the Indonesian Government is now fearing up to promote its external trade and cooperation in a drive to boost its non-oil exports.

He said Indonesian Trade Minister Rachmat Saleh and his Canadian counterpart would discuss possible ways of stepping up trade and economic cooperation between the two countries as well as other issues on multilateral trade.

Canada has in the past several years begun to pay its attention to the Asian Pacific countries such as ASEAN.

Counter-purchase

Meanwhile Director of External Trade Relations J. Pitoy ascribed the deficits to a great deal of the Canadian participation in many tenders of the Indonesian government in the framework of enhancing the counter-purchase scheme.

Indonesian exports to Canada reached a total of C$22.10 million in 1981 against its imports from Canada that surpassed to C$101.54 million, or a C$79.44 million deficit for Indonesia.

In 1983, Indonesian exports rose to C$28.33 million, compared with its imports that climbed higher to C$157.67 million, moving its trade deficits up to C$157.67 million.

Indonesia's deficits in its trade with Canada continue to grow bigger to C$273.15 million in 1984 when its imports stood at C$318.80 million against its exports at C$45.63 million.

However, in 1985 from January to September, the deficits have been cut to C$176.42 million through which Indonesian exports ran at C$32.80 million against C$159.23 million of its imports.

Indonesia has so far exported such commodities as rubber, coffee, cocoa, as well as plywood, textiles and garments to Canada which in turn exported capital goods as machineries, chemicals and fertilizer.

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CSO: 4200/780

INDONESIA

CANADIAN AID FOR BUKIT ASAM COAL RAILWAY PROJECT

Jakarta ANTARA NEWS BULLETIN in English 14 Feb 86 p A7

[Text] Jakarta, 13 Feb (ANTARA)--Indonesia and Canada here Thursday signed an agreement on a railway project assistance to support the development of the Bukit Asam coal project, South Sumatra.

The agreement was signed at a meeting between Canadian Foreign Trade Minister James Kelleher and Indonesian Communications Minister Rusmin Naryadin.

Indonesia was represented by Director General of Land Communications Ir. Giri Suseno Hadihardhono and Canada was represented by the Sidney Steel Corportation company.

The Canadian assistance for the railway project is part of its package assistance to Indonesia amounting to US$120.2 million which have been realized since the third five-year development plan.

Canada's assistance to the Bukit Asam coal project covers heavy railway facilities, coal wagons, signaling tools and railways.

Fifteen logs with spare-parts special for coal carriers is expected to arrive here from Canada in May.

James Kelleher is visiting Indonesia in the framework of stepping up economic and trade relations.

During his four-day visit to Indonesia, Kelleher will hold talks with his counterpart Minister Rachmat Saleh and other cabinet ministers.

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CSO: 4200/780

OMBILIN USES HIGHLY SOPHISTICATED EQUIPMENT IN COAL MINING

Jakarta ANTARA NEWS BULLETIN in English 17 Feb 86 pp A6, A7

[Text] Sawahlunto, 17 Feb (ANTARA)--The Ombilin coal mining enterprise in Sawahlunto, West Sumatera, is the first among such mines in Indonesia, probably even in ASEAN, to use highly sophisticated equipment for deep mining operations.

The fully mechanical equipment, supplied by a British firm, have already been operated semi-mechanically since mid-1985, and are expected to go into full operation beginning in April this year, the company's production and development director, Suhandoyo, disclosed here Saturday.

With the use of the modern equipment the coal mining company managed to produce 770,750 tons of coal last year, while the target has been set at 750,000 tons.

The output was the highest among those of all the coal mining companies in Indonesia in 1985, Ahmad Priyono, the president director of the state-run coal mining company, said during a thanksgiving ceremony here.

The 1985 production level, he added, was also higher than the highest output ever reached during the Dutch colonial era. In 1930, 624,212 tons were produced, he said.

The ceremony was also attended by Inspector General of the Department of Mines and Energy Ibnu Sudjono, British Ambassador to Indonesia MacDonald and West Sumatera Governor Azwan Anas.

The occasion also marked the commencement of the construction of 350-unit housing complex for the employees, a 60-m bridge over the Ombilin River to the location of a new mine in Perambanan.

Ahmad Priyono said further that the company also has the task of developing the coal mines throughout the country, except the one in South Sumatera. In this context the government intended to reopen the secondary mining technical school (STIM) in Sawahlunto which was closed in 1968 after an existence of 15 years.

The Bumit Asam coal mining company in South Sumatra, with the US$800 million in investments it has received recently, is expected to produce 3,000,000 tons of coal per annum, making it one of the biggest coal producers in Indonesia.

The Ombilin company is expected to boost its output to 900,000 tons this year, and 1,000,000 tons next year. Ombilin holds 30 million tons of coal deposits consisting of 30 million tons in open mines and 130 million tons in deep mines.

The boosting of coal production is not only necessary for increasing foreign exchange revenues for the state but also for providing cheaper energy for domestic consumption.

Rp 10,000 worth of coal would be sufficient to produce one ton of cement which Rp 20,000 worth of fuel oil would be needed to produce the same quantity, he added.

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CSO: 4200/781

COAL EXPORT TO JAPAN EXPECTED TO DOUBLE

Jakarta ANTARA NEWS BULLETIN in English 19 Feb 86 p A1

[Text] Jakarta, 18 Feb (ANTARA)--Coal exports from Indonesia to Japan will increase from 100,000 tons/year during 1986 to become 200,000 tons/year in 1987.

"The increase of coal export to Japan is in accordance with the demand from that country, besides, Japan will also buy the commodity at a higher price compared with the Indonesian coal exports to other countries," President Director of P. N. Tambang Batubara (state-owned coal mining company), Achmad Priyono said at a hearing before Parliament Commission VI led by its vice chairman, H. A. Poerwosasmito, here Tuesday.

He stated that due to the increase of coal demand from Japan, the export of coal to Malaysia, particularly coal from the Ombilin mining enterprise in West Sumatera, will decrease.

According to him, the price of coal on the international market is about 37 US dollars per ton, while Japan buys Indonesian coal at 38 US dollars per ton.

Indonesian coal exports, particularly from Ombilin, reached 452,312 tons worth 16.57 million US dollars during 1985, while in 1984 it reached 401,502 tons worth 14.36 million US dollars.

Besides to Japan, Indonesia also exports coal to Malaysia, Thailand, Bangladesh, South Korea and Vietnam.

Replying to a question asked by a member of Parliament, Achmad Priyono said that Indonesia still imports coal from other countries in order to meet the demand for the Suralaya steam power electricity plant which needs certain coal not yet produced in Indonesia.

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CSO: 4200/781

BALINESE FARMERS ASKED TO GROW MORE SECONDARY CROPS

Jakarta ANTARA NEWS BULLETIN in English 16 Feb 86 pp A1, A2

[Text] Denpasar, 15 Feb (ANTARA)--Minister of Agriculture Affandi has called on local farmers in Bali to grow secondary crops such as soybeans which he declared as important as rice having a highly economic value and containing nutritive substances.

Addressing a meeting with farmers of Kedewatan village, some 30 km north of Denpasar, Friday, he said the output of secondary crops in the region is still very low, particularly compared with the performance of its rice output.

"If the Balinese farmers succeed in yielding 12 tons of rice per hectare, I wonder why they turn out only 0.9 ton of soybeans per hectare," the minister added.

He appealed to the local farmers to evaluate themselves so as to raise the soybeans output to as high as around 2.1 to 2.5 tons per hectare as having been achieved by West Java.

In this context, the minister advised them to buy soybean-seeds of higher quality, although the price is a bit expensive.

"Try to buy seeds of Rp 750 per kg, don't buy the cheaper ones of Rp 500 per kg. I assure you the output will be much greater," he said.

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CSO: 4200/781

DEVELOPMENT OF EAST KALIMANTAN FERTILIZER PLANTS REPORTED

Jakarta BUSINESS NEWS in English 21 Feb 86 p 4

[Text] Urea fertilizer and ammonia produced by PT Pupuk Kaltim, a fertilizer plant in East Kalimantan, were supplied to the domestic market and exported in 1985.

President Director of PT Pupuk Kaltim disclosed at a meeting with Parliamentary Commission VI here recently that the company produced 495,949 m. tons of ammonia in 1985, of which 231,753 m. tons had been used in the processing of urea.

The company produced 400,252 m. tons of urea and sold 264,223 tons of ammonia last year. Some 66,657 m. tons out of 264,223 m. tons of ammonia sold by the company in 1985 was supplied to the Gresik petrochemical plant in East Java and the remaining 197,566 m. tons was exported.

PT Pupuk Kaltim consists of production unit I (Popuk Kaltim I), and production Unit II (Popuk Kaltim II). Fertilizer and ammonia supply from the company in 1985 mostly came production unit II, because production unit I is still under the rehabilitation work. The rehabilitation of Kaltim I is expected to be completed in October 1986.

The supply of urea from PT Pupuk Kaltim is managed by PT Pusri. The supply of ammonia from PT Pupuk Kaltim mostly goes to PT Petro Kimia Gresik and Philippines Phosphate Fertilizer Corp. and the smaller part goes to other countries outside ASEAN such as India, Taiwan, South Korea and Tanzania.

To smoothen the supply of fertilizer and ammonia from PT Pupuk Kaltim, several facilities have been built not far from the plant, including a special harbour for the shipment of urea and ammonia, ware houses for urea and storage tanks for ammonia. The number of workers employed by the company was registered at 2,266 in 1985.

The construction of the third production units, Pupuk Kaltim III, is scheduled to start in the beginning of this year. When completed, the third production unit will produce 570,000 tons of urea/year. That new production unit is expected to be completed in the beginning of 1989. With the operation of the three production units, PT Pupuk Kaltim will produce 1,700,000 m. tons of urea and 330,000 m. tons of ammonia a year from 1989.

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CSO: 4200/780

LOG EXPORT BAN BOOSTS CENTRAL SULAWESI'S EXPORTS

Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 p A6

[Text] Palu, 20 Feb (ANTARA)--The ban on log export has a positive impact on the increase of non-oil/non-gas commodity exports from Central Sulawesi, South Sulawesi's provincial trade office chief Soemarsono told ANTARA here Wednesday.

The ban, laid down in the joint decision of the ministers of trade, home affairs and forestry, has given a great boost to processed timber exports in 1985.

In 1984 Central Sulawesi's exports consisted of logs and sawn iron-wood, logs and sawn timber of various wood species, iron-wood handicraft products, mangrove wood, rattan, sea products and resin, reaching a total volume of 98,538.94 tons worth US$22,896,443.36.

In 1985 Central Sulawesi's exports recorded a value of US$23,960,578.22, although the volume declined to 62,233,169 M3.

This export value increase was due to the increase in volume of sawn timber by 179.25 percent, recording a value increase of 239.70 percent.

The exports of processed timber, not including iron-road, in 1984 reached 17,210.73 M3 worth US$3,448,286.35. In 1985 the export of plywood increased to 48,060.27 M3 worth US$11,713,819.91.

The logs, which were banned for export, were bought by 18 local saw-mills.

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BALI TO SEND MORE TRANSMIGRANTS TO IRIAN JAYA

Jakarta ANTARA NEWS BULLETIN in English 10 Feb 86 pp A1, A2

[Text] Jayapura, Irian Jaya, 10 Feb (ANTARA)--Vice Governor of Bali I Dewa Gde Oka has said that in the current fourth five year development plan (pelita IV) his province will be transmigrating about 1,000 families to Irian Jaya in the light of improving life.

Speaking to newsmen after a meeting with Irian Jayan Governor Izaac Hindom here Saturday, he further said the sending of the new settlers will be jointly arranged by the two provincial administrations and will carried out gradually depending on the preparation works of the new resettlement centres in Irian Jaya.

He also said that the would-be transmigrants generally consist of tough and skilled farmers who are expected to be able to improve their standard of living and thus to support the implementation of development programs in Irian Jaya.

"I am convinced that the Balinese transmigrants will be feeling at home at their new settlements because the lands in the province are so fertile," the vice governor concluded.

Meanwhile , Drs. Ida Bagus Putraka, head of the Bali Transmigration office, who accompanied the vice governor during his meeting with Governor Izaac Hindom, said that in the next 1986/87 fiscal year, Bali is scheduled to send about 300 families to Irian Jaya.

They will be resettled in the Jayapura regency, he added.

After the meeting the Balinese vice governor and party visited the Skylan transmigration area where Balinese settlers are living well there.

On Sunday they left for Sorong where they will closely observe the living condition of the Balinese transmigrants.

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CSO: 4200/780

PELITA DAILY TO HAVE NEW MANAGEMENT

Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 p A1

[Text] Jakarta, 20 Feb (ANTARA)--The "Pelita" daily newspaper in Jakarta will run under a new management board as of 11 March this year with Akbar Tanjung as editor-in-chief.

Akbar Tanjung was general chairman of the Indonesian Islamic Student Association (HMI) in the 1970's. His present position is that of vice-secretary general of the executive board of the Golkar Functional Group.

The new management board Thursday held a meeting with no less than 16 advertising agencies in an effort for an exchange of views. Among those present were the general chairman of the Indonesian Advertising Agency Association (P3I), Bati Subakti, P3I Secretary General Yushak Ismail and the general chairman of the Jakarta Chapter of P3I, Fachri Muhammad.

Agil H. Ali, a young figure of the East Java Golkar chapter who sponsored the meeting, said "the new management will involve new Islamic intellectuals and young businessmen."

He said although the daily will still voice the Islamic aspirations it will no longer commit itself to a political aspirations, adding "the outlook of Pelita will be more national and it will no longer be exclusive or inclined to lean on a certain political party."

The newspaper with a circulation of about 15,000 has so far been known as affiliate of the Islamic United Development Party (PPP).

Under the new management the daily will increase its pages to 12 and will recruit more reporters who are well educated, Agil said.

Among the members of the new management board are Aburizal Bakrie (as vice-editor in chief) and Dr. Sulastomo (old editorial board member).

Pelita sells most of its publication in East Java and South Sulawesi.

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CSO: 4200/781

AMNESTY INTERNATIONAL REPORT ON ATTAPEU REEDUCATION CAMPS

Bangkok THE NATION in English 14, 15 Feb 86 p 5

[Text]

AMNESTY INTERNATIONAL has long been concerned at the practice of arbitrary administrative detention and restriction without charge or trial in the Democratic People's Republic of Laos (DPRL), in particular with regard to persons taken into custody for "re-education" in 1975-76, at the time of the DPRL's foundation, but also with regard to persons taken into custody in subsequent years.

According to the information available to Amnesty International, the largest numbers of persons are to be found in provinces in remote northeastern and southern parts of the country, including notably isolated districts in Houa Phanh, Xieng Khouang, Savannakhet, Attapeu and Xe Kong provinces, but also in other provinces.

These persons were originally taken into custody and are believed to have been held in detention or restriction for "re-education" for as long as ten years witout ever having been charged, tried or sentenced, contrary to international human rights norms entitling them to trial within a reasonable time or to unconditional release.

These persons may have originally been taken into custody and may still be detained or restricted not because they are alleged to have committed any specific recognizably criminal act, whether violent or non-violent, but only on account of their imputed political sympathies for a previous government and of their suspected current dissident political tendencies.

Amnesty International has urged that these persons either be immediately charged on an individual basis with specific recognizably criminal offences and be given prompt and fair trials conforming to international standards, or otherwise that they be immediately and unconditionally released and granted facilities enabling them to return to their homes without hindrance.

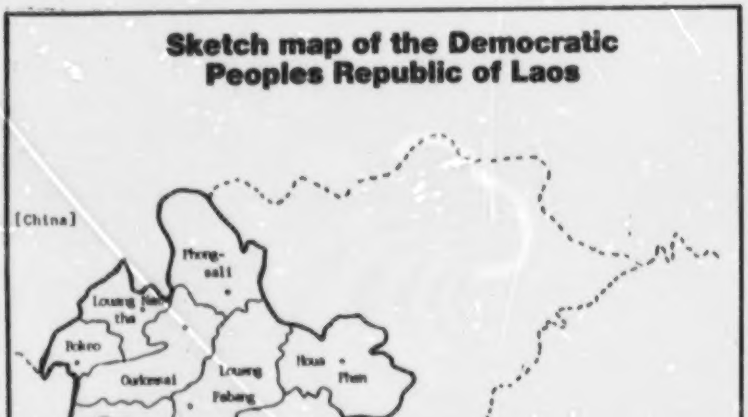
In April 1985, Amnesty International made public a document describing the organization's overall concerns in Laos. At that time, most of Amnesty International's information on "re-education" had to do with its history and recent practice in northeastern Laos. Recently, however, while gathering additional information on "re-education" in northeastern Laos, Amnesty International has also been able to gather considerable new data on the history and practice of "re-education" in other parts of the country, particularly in the southeastern province of Attapeu.

The following document sets forth this new information on "re-education" in Attapeu, covering the period from 1975 up through the latter part of 1985.

Attapeu Province: History and administration

Located in the southeasternmost corner of the Democratic People's Republic of Laos (DPRL), Attapeu is one of the country's most underdeveloped and remote provinces. Lying astride none of the landlocked country's few major communications routes, Attapeu is also the province most distant from the national capital and chief town, Vientiane.

During the Second Indochina War (1959-75), it was a stronghold of partisans of the future DPRL and subjected to intensive aerial bombardment. Attapeu was brought under the complete administrative predominance of the political antecedent to the DPRL, the Neo Lao Hakxat (Laotian Patriotic Front), as early as 1970, thereby becoming the first Laotian province outside the country's northeast to be politically consolidated by it. It was furthermore the site of a wartime "sub-divisional headquarters" of the Neo Lao Hakxat (NLHX) and also for the then People's Party of Laos (now the Revolutionary People's Party of Laos), which staffed and


Sketch map of the Democratic Peoples Republic of Laos
[China]
Phong-sali
Louang Nam-tha
Bokeo
Oudomsai
Louang Pabang
Houa Phan
Saya-bouli
Xieng Khouang
Vientiane
(Vien-tiane)
Bolikhamsai
[Viet Nam]
Khammouan
Savannakhet
[Thailand]
Salavan
Xe Kong
Attapeu
Cham-passak
[Kampuchea (Cambodia)]

directed the NLHX and is now the DPRL's sole legal political party. In addition to Attapeu itself, these wartime Party and Front sub-divisional headquarters had authority over territories included in the current DPRL provinces of Champassak (to the west) and Xe Kong (to the north).

For these reasons and also because crucial supply lines of the then Democratic Republic of Vietnam (now the Socialist Republic of Vietnam) ran through Attapeu into neighbouring areas of southern Vietnam and northwest Kampuchea, it was heavily targetted for United States Air Force bombing, which brought about extensive loss of life, as well as much physical destruction, particularly to towns and villages and to transportation infrastructure, such as trials and bridges.

At least in part because of refugee flight and fatalities that were caused by the war, Attapeu is currently the DPRL's most sparsely populated province. With an officially tabulated population of 69,600 persons on an area of 11,900 square kilometres, it has a population density of less than six persons per square kilometre. An overwhelming majority of this generally scattered population, moreover, is defined as belonging to the Lao Theung ("Upper Laotian") category of national minorities *(xonxat)*. These Lao Theung comprise mostly Mon-Khmer ethnolinguistic groupings, whose language, culture and farming practices are quite different from that of the country's predominant Lao Loum ("Lowland Laotians").

Under previous regimes, they had suffered from discriminatory treatment and neglect, and they are conventionally considered to enjoy a relatively low level of socio-economic and socio-cultural development today.

Almost all of Attapeu is dominated by rugged and forest- or brush-covered upland terrain, including part of the Bolovens Plateau in the northwest and foothills of Vietnam's Central Highlands in the east. There are, however, several narrow, but significant valley lowlands. The most important of these lies astride the Xe (river) Kong, which traverses the province initially from north to south before turning southwest to flow toward Kampuchea's Steung Treng province.

Two of the Xe Kong's tributaries, the Xe Kamane and the Xe Xou, which flow west down out of the Central Highlands' foothills before joining together and then flowing into the Xe Kong, are also flanked by valley lowlands. Historically, the site of the province's only major town has been in the area of the tri-confluence of the Xe Kamane, Xe Xou and Xe Kong, at approximately the centre of the province.

Even before the destruction caused by bombing, Attapeu's transport infrastructure was minimal. In the 1960's, the province's two best transportation routes were little more than single lane loose surface dirt trails, not reliably passable during the yearly May to October monsoon rainy season. They were both in the valley lowlands. One, designated Route #16, followed the Xe Kong northward from the tri-confluence area, eventually connecting it with an asphalted road in Saravane province.

The other, designated Route #18, followed the Xe Kong southwest from the tri-confluence area, eventually connecting it with a paved road in Champassak province.

Otherwise, Attapeu's transportation infrastructure consisted of rutted dirt tracks leading up into and across the rugged uplands, most of which were passable only to animal carts or military vehicles, and then sometimes only during the dry season.

Similarly, even before the war period, the province's chief town was hardly more than an oversized village, with at most several thousand inhabitants and no industry, even of a small scale, to speak of. It did not, in any case, survive the hostilities, but was, like many villages, virtually abandoned to avoid them, ceasing for all practical purposes to exist.

Currently, like other DPRL provinces, Attapeu is governed by a (state) Administrative Committee that is fully staffed and closely directed by a provincial Party Committee of the ruling Revolutionary People's Party of Laos (RPPL). Membership in these two committees is interlocking, but not identical. In Attapeu, as other

DPRL provinces, the Party Committee (headed by its Secretary) is responsible for policy formulation, while the Administrative Committee (headed by its Chairman) is responsible for policy implementation.

The provincial Party Committee in Attapeu, like the RPPL Central Committee in Vientiane, has members with specific policy-making responsibilities in the spheres of economy and finance, united front and mass mobilization work, ideology and ideological training, defence and security matters, organizational staffing, and foreign relations, among other things.

Membership portfolios within the provincial Administrative Committee similarly reflect the pattern of functional differentiation set by the Council of Ministers in Vientiane, with its various constituent Ministries and State Committees. It thus includes members charged with policy implementation in such spheres as defence; foreign affairs; interior (security); (economic) planning; industry, handicrafts and forestry; commerce; agriculture, irrigation and agricultural cooperatives; transportation, communications and posts; finance; construction (public works); public health; and so on.

The persons holding these portfolios typically head sub-committees in charge of the work in these spheres, which is said to be organized into provincial "services" or "sections" *(phnek.)*

Below the province level, Attapeu is divided, like the rest of the country, into districts *(meuang)*, sub-districts or "cantons" *(tasseng)* and villages *(ban)*.

Attapeu comprises four districts, Samakhixai, Xaisetha, Sa Nam Sai and Xanxai, which are divided into 20 sub-districts and 149 villages.

Samakhixai district covers the west-central part of the province, including the tri-confluence area, where a new provincial chief town named Samakhixai has been established. Xaisetha district lies to the northeast and southeast, bordering on Kampuchea and Vietnam, and can be reached by travelling up the Xe Kamane and Xe Xou valleys. Sa Nam Sai district lies to the south, bordering on Kampuchea, and can be reached by travelling down the Xe Kong valley along Route #18. Xanxai district lies to the northeast, bordering on Vietnam, and is virtually inaccessible.

"Re-Education" in Attapeu Province: Generalities

In the early part of 1985, Amnesty International received from refugee workers an estimate of the number of persons still restricted or detained for "re-education" in Attapeu. According to this estimate, which was based primarily upon extensive interviews with Laotian refugees in Thailand who had formerly been held for "re-education" in the province, it was believed that there were still approximately 1,400 persons restricted or detained for "re-education" in the province's Samakhixai and Xanxai districts as of the beginning of 1985.

Among these estimated 1,400 persons, around 800 were thought to be in Samakhixai district and perhaps another 600 in the more remote Xanxai district, according to the reports collected from former Attapeu "seminarees" (*khon semina*, the term originally applied to persons sent to "re-education") who had managed to make their way from Attapeu to Thailand.

In the appendix to a letter sent on August 16, 1985 to His Excellency Kaysone Phomvihan, Chairman of the DPRL Council of Ministers and Secretary General of the RPPL Central Committee, Amnesty International listed the names of 2,632 persons who, according to reports from various sources, were at that time believed to be among those held for "re-education" in different provinces of northeastern and southeastern Laos.

This list included the names of 452 persons who had been reported to Amnesty International as being among those held in Attapeu. Almost all of these latter persons whose names were known to Amnesty International were thought, according to the most recent information then available, to be in the tri-confluence area of Samakhixai district. The few others whose names were specifically known to Amnesty International were reported to be either in Xanxai or perhaps in Sa Nam Sai district.

The information now available to Amnesty International is too incomplete to allow it to confirm or to attempt to revise the estimate received by it in the early part of 1985. It does, however, indicate that the number of persons still restricted or detained for "re-education" in Attapeu as of the latter part of 1985 was not substantially less than it had been at the beginning of the year and was almost certainly in excess of one thousand.

Amnesty International has obtained considerable new detail from former restrictees and detainees and from other sources about general aspects of "re-education" in parts of Attapeu and about many of the 452 individuals whose names were known to it as of August 1985 as well as other individuals whose names have since become known to it. This information suggests that such reduction as did occur during the course of 1985 did not result from outright releases. Rather, it seems to have resulted from successful escapes and, to a much lesser extent, death from disease or during escape attempts or other factors. The new data also suggests that the early 1985 estimate received by Amnesty International may have failed to include certain kinds of restrictees and detainees in certain locations, and thus may possibly have under-estimated the total.

The new information obtained by Amnesty International has to do primarily with developments as regards persons who had been held for "re-education" in Samakhixai district. It reveals that a significant number of persons who were thought as of August 1985 to be undergoing "re-education" in the tri-confluence area of Samakhixai district either had in fact already been moved elsewhere in the province or have since been so relocated. Perhaps the most notable transfer has been that of some restrictees to do road construction work across the rain-swept Bolovens Plateau area of north-western Attapeu, a move that seems actually to have begun as early as mid-1984.

This new information does, on the other hand, confirm that many, probably most, of the persons previously thought to be in the tri-confluence area of Samakhixai district were still held in that area as of the latter part of 1985.

"Re-Education" in Attapeu Province: History

A: Battalion #402

According to Amnesty International's information, some of the persons currently restricted or detained for "re-education" in Attapeu have been held continuously in this province since 1975-76. Among these decade-long Attapeu restrictees and detainees are said to be many former military personnel of the Royal Armed Forces of the Royal Laotian Government (RLG).

These included field-grade, junior-grade and non-commissioned officers who had previously been assigned to the RLG's Military Zone IV, which comprised territory now in the DPRL provinces of Attapeu, Champassak, Salavane and Xe Kong. Almost all of these persons are of the predominant Lao Loum (lowland Laotian) ethnic grouping, and came originally from provinces more or less distant from Attapeu. According to numerous first-hand accounts, they had in almost all cases voluntarily and peacefully allowed themselves to be flown from various locations in Champassak and Salavane into Attapeu in 1975-76, during or after the nationwide overthrow by the RPPL of the coalition government that had been formed between the RLG and the Neo Lao Hakxat in 1973, following a cease-fire and political agreement between the two reached in that year.

According to these accounts, they were told by Neo Lao Hakxat cadres that they were being flown into Attapeu to attend brief political "seminars" to explain to them the policy changes being initiated by the new regime, in order that they might be integrated into its service. They were instead immediately placed under armed guard and have never been allowed to leave Attapeu.

Reportedly, most of the persons in this group of decade-long Attapeu restrictees were initially held inside the then only partially constructed site of what would be called

Samakhixai town and become the provincial capital. While attending the compulsory political lectures there, they were also obliged to engage in strenuous collective agricultural labour. They were soon thereafter moved out of the town site and organized into a seminar and work "battalion" *(kongphan)*, designated Battalion #402, which was composed of a small "headquarters unit" *(kong banxakan)* and four "companies" *(konghoy)*, which were designated Companies #1, #2, #3 and #4. These companies were in turn reportedly composed of a number of "platoons" *(mouat)*, which were further subdivided into a number of "squads" *(mou)*.

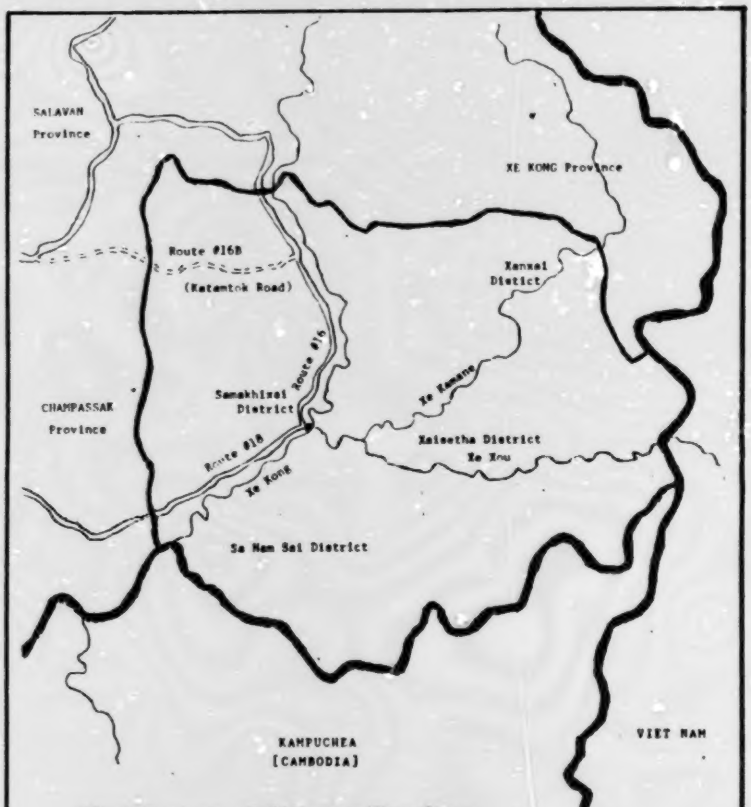
Work and seminar Battalion #402 was organized under the auspices of and guarded by detachments of combatants from the DPRL military in Attapeu province. Regular cadres of the then Laotian People's Liberation Army (now the Laotian People's Army) reportedly acted as its commanders at all levels, as well as of the DPRL combatants detached to guard its members, and the chief officer in charge of the unit is said to have held the rank of lieutenant colonel.

The number of "battalion troops" *(phon kongphan)* — not including the command cadres and combatant guards — is reportedly originally to have totalled between 600 and 800 men, with a relatively small number assigned to work and study under the headquarters unit and the rest distributed more or less evenly to work and study under the battalion's four companies.

The bivouac of Battalion #402's headquarters unit was reportedly soon located at a place on the east bank of the Xe Kong, opposite the site of Samakhixai town. At the same time, separate bivouacs were reportedly chosen for the battalion's four companies.

Company #1 is said to have been located not far upstream from the headquarters, also on the east bank of the Xe Kong, at a place called Ban Mai. Company #2 is said to have been located further away, up the Xe Kamane, at a place on its northern bank known as Houay Phoke. Company #3 is said to have been sent even further up the Xe Kamane, a place, also on its northern bank, known as Ban Hat Liang. Company #4, finally, is said to have been ordered furthest from battalion headquarters, downstream along the Xe Kong's west bank, into an area known as Ban Hom.

In the initial period, Battalion #402's troops reportedly laboured to establish and build up self-supplying encampments at their various bivouac sites. They began by setting up dwellings for their commanders, their combatant guards and themselves, and then cleared forest and brush and started to farm paddy and garden plots from which their commanders, combatant guards and they themselves got rice and vegetables.



Sketch map of Attapeu Province,
Democratic Peoples Republic of Laos

After this initial period, they reportedly were increasingly deployed in units of platoon or squad size on various heavy labour assignments, during which they were ordered to perform tasks deemed necessary or useful by the provincial military or the provincial party and state authorities. These tasks are said to have included clearing jungle and undergrowth for fields to be farmed by life-time local residents, in most cases Lao Theung peasants who had supported the RPPL from even before 1970; logging and quarrying to provide construction materials being used in the building-up of Samakhixai town and smaller DPRL military and administrative concentrations; working as coolies lugging sacks of paddy or rice and other agricultural produce from fields to warehouses or from warehouses to boats, carts and trucks; and repairing and constructing bridges and loose-surface trails and roads.

For the most part this labour, which was reportedly combined with frequent attendance at political seminars, is said to have been performed in Samakhixai district, although Company #3 is said also fairly often to have worked in Xaisetha district.

The troops of Battalion #402 continued to be organized and to work in the above-described manner through 1979-80. The next several years, starting in 1980, but especially from 1982 through 1984, were reportedly a period of transition, during which most of what had been officially termed the "troops" of Battalion #402 were progressively seconded to work directly for various parts of the provincial military command or the provincial administrative "sections," either inside or outside Samakhixai town.

While the majority of those so seconded worked as simply manual labourers *(kamakone)*, others were given minor skilled jobs. During this period of transition, what is said to have been first described as a process of seconding is said to have increasingly become permanent reassignment out of the old Battalion #402 structure, and it reportedly was in effect dissolved. It reportedly has not, however, ever been formally abolished and continues to have some residual and skeletal existance as a unit of organization to which some of its former troops are still on occasion answerable.

B Battalion #979

During 1979-80, meanwhile, several new groupings of restrictees and detainees were, according to Amnesty International's information, brought into Attapeu either to continue there the "re-education" they had started in other provinces or to begin there to undergo "re-education" for the first time. One of these several groupings comprised persons brought down to Attapeu from "re-education" centres in such northern DPRL provinces as Phongsali, Louang Namtha, Oudomxai, Louang Phabang and Sayabouli, where they had been held since 1975-76. They were evidently moved from northern to southeastern Laos as a result of the severe deterioration in relations between the DPRL and the People's Republic of China during 1978-79, which in the DPRL's estimation reportedly rendered provinces on or near the Chinese border insufficiently secure to host "re-education" on a significant scale.

Although some of the persons who had been held in these provinces were reportedly released to Vientiane in 1979-80, many others, especially, it is said, those considered politically recalcitrant, were moved elsewhere, including Attapeu. Among the persons reportedly transported down into Attapeu are said to have been approximately 200 ex-RLG military officers from Louang Phabang and other northern provinces.

Although most of these are identified as being Lao Loum, they are said also to have included some Lao Soung ("highland Laotians") belonging to the Hmong ("Meo") ethnolinguistic group. Said in addition to have been among those transported down from Phongsali, Sayabouli and other northern provinces were approximately 100 ex-RLG Lao Loum civil servants and civilian political figures closely associated with the RLG constitutional monarchy, including several prominent members of the royal family of the house of Louang Phabang. Upon arrival in Attapeu, many of these persons were organized into a seminar and work battalion, designated Battalion #979. (It is thought that this designation may have referred to the unit's official foundation date, September 1979).

The troops of Battalion #979 were reportedly substantially augmented by the incorporation into the unit of a second newly arrived grouping, in this case of new restrictees. They are said to have been mostly young men *(xao noum)* who had been secondary school students in Vientiane immediately prior to their being taken into custody and transported into Attapeu. It is reported that approximately 100 such young men, all Lao Loum, were brought down from Vientiane and put into Battalion #979.

According to available accounts, they were so placed into restriction because DPRL authorities in the capital either suspected them of holding dissident political views or alleged that they had been avoiding military service, and also more generally because they came from families believed to have had very strong past political or professional affiliations with the old RLG.

Battalion #979 is said therefore to have been formed in stages both from the older, veteran ex-military and civilian seminarees brought down from parts of Laos near China and from the younger, new ex-student restrictees taken into custody in Vientiane, with only a few other elements being added in.

The forming up is reported to have occurred at an assembly point located in a place known as Ban Touay, said to be in an isolated and unpopulated area a considerable distance northeast of Samakhixai town.

Like Battalion #402, it was reportedly organized under the auspices of DPRL military forces in Attapeu province, and was completely officered by regular duty Laotian People's Army (LPA) cadres who also commanded detachments of armed LPA combatants who closely guarded the battalion's troops. In evident contrast, however, to Battalion #402, Battalion #979 is said to have answered directly to central DPRL military authorities in Vientiane, rather than to the provincial military in Attapeu.

According to accounts from its former members and others, Battalion #979 was soon ordered to abandon its assembly point for a staging area at a place known as Tat Koum, from which its troops were sent, in line with the Battalion #402 precedent, to establish and build up separate, self-supplying encampments for the battalion headquarters unit and each of the battalion's four companies, which were located at various bivouacs on either bank of the Xe Kamane, considerably upstream from Samakhixai town. As the troops of Battalion #402 had reportedly done earlier and closer to the province's new and gradually growing capital, those of Battalion #979 are said to have been set to work under armed surveillance constructing permanent shelters and then clearing off land on which were cultivated paddy and vegetables. Within, however, a year or less after this work was basically completed, the troops of Battalion #979 reportedly began to join those of Battalion #402 in being seconded as menial labourers or skilled workers to the provincial authorities of Attapeu, including both its military offices and its administrative sections. They are said to have increasingly performed, on what became a permanent basis, verious assigned tasks alongside or at least nearby the Attapeu veteran troops of Battalion #402. Most of Battalion #979's reassigned troops, sometimes still organized as squads or platoons of the battalion, but in other cases scattered as individuals, reportedly were sent to work at a series of heavy constructing tasks, such as putting up residential or administrative buildings, military barracks and offices, housing for cottage and small-scale machine industry, schools, clinics and dispensaries and state stores, or repairing and constructing bridges and roads. In the earlier stages of this period of transition, the new work of Battalion #979's troops reportedly resulted in it becoming known as a "construction battalion" *(kong phan kosang)*. When, as this period was completed in 1983-84, this pattern of its troops' reassignment became general and permanent, Battalion #979 is said to have followed Battalion #402 into virtual non-existence, without formally being fully disbanded and abolished.

C Settlements

Meanwhile, a third grouping of restrictees now identified by Amnesty International as having been brought into Attapeu during 1979-80 was being settled in. The persons in this grouping, like those brought down from areas of northern Laos near China, had already been in "re-education" for several years, but they were transferred from much closer by.

They are reported to have comprised mostly Lao Loum ex-RLG non-commissioned officers who had originally been taken into custody for "re-education" in 1975-76 in neighbouring Salavane province, to the northeast of Attapeu. At least several hundred such persons were reportedly transferred from "re-education" in Salavane to "re-education" in Attapeu during 1979-80, according to reports because they were considered politically unfit for complete and unconditional release back into society.

It is said that upon arrival in Attapeu, most of these persons were neither organized into seminar and work battalions nor assigned to perform menial or skilled labour tasks for provincial military officers or administrative sections, but were instead obliged to establish a number of chiefly agricultural "settlements" or "colonies" *(nikhom)*. These village-like settlements are said typically to have been established in areas exclusively populated by Lao Theung with a long history of support for the RPPL. However, while sometimes being located near small Lao Theung villages, they were reportedly almost always set up separately from them.

These settlements are reported to have been officially designated by numerals, such as two so identified by Amnesty International, Settlement #18 and Settlement #20.

They are also said to have local geographical names either in Laos or Khmer, such as Phou Dam Khouan (for Settlement #18), Phoum Kong Toun (for Settlement #20) and Kong My (numerical designation of which is unknown). Their restricted residents, who reportedly often include the wives and children of the men originally taken into custody in Salavane in 1975-76, are said for the most part to be put into "production units" *(kong phalit)* and otherwise into "animal husbandry units" *(kong liang sat)* or "fish raising units" *(kong liang pa)*. These various units are said generally to be directed by native Lao Theung military cadres who simultaneously have authority over small local military units that keep a watchful eye on the settlers. In addition to growing rice and vegetables for their own consumption and that of the cadres and combatants who lead and watch them, these restrictees' production units are reportedly sometimes assigned to grow sugarcane, tobacco, cotton and other "industrial crops" *(phonpouk outsahakame)* to provide for the needs of local or provincial cottage or small-scale machine industries, while the animal husbandry units reportedly raise draft animals, poultry and hogs for use or consumption both inside and outside the settlements to which they are attached.

In addition to the settlements that, according to the information available to Amnesty International, were established in the above-described manner by persons brought down from "re-education" in Salavane in 1979-80, there is another settlement in Attapeu province about which Amnesty International is aware which, according to its information, was founded during the transitional period between 1979 and 1984 by and for troops of Battalion #402, and, to a lesser extent, Battalion #979.

This settlement was in fact reportedly created out of the former encampment of Company #4 of Battalion #402, that is, in the area of Ban Hom, down the Xe Kong from Samakhixai town. As the transition proceeded, most of the troops of Company #4 are said to have been reassigned to work elsewhere, while a few troops from other companies of Battalion #402 as well as from Battalion #979 were ordered to what became known as Ban Hom Settlement.

Available accounts indicate that those persons either kept at or sent to the Ban Hom Settlement were generally chosen for assignment there because they were considered incapable of useful work elsewhere, either because degenerated health or advanced age made them unable to do heavy labour or because they lacked the specialized knowledge necessary for the performance of skilled labour. They are said thus to have been organized, like the residents of other settlements, into units that engaged in agricultural production, especially paddy and sugarcane planting, and in animal husbandry or fish raising, by which means they fed themselves and their cadres and guards and also supplied some surplus to the provincial administration.

In addition, according to the information available to Amnesty International, the former encampment of the headquarters unit of Battalion #402, located on the east bank of the Xe Kong opposite Samakhixai town, has in recent years come to function like an agricultural settlement. Its remaining residents reportedly comprise primarily veterans of Battalion #402 drawn from various places, but also include some veterans of Battalion #979 and a few other elements.

As in the case of Ban Hom, they are said to have been chosen for restriction at this site because they are either infirm, elderly or unskilled, and to be assigned to engage for the most part in self-supplying agricultural production activities, particularly paddy growing. The site is, however, said according to recent reports not to be called a "settlement"; it is variously referred to simply as "402", by the geographical name Tha Bak or as a "Reform and Reconstruction Centre" *a(soun dat sang)*.

In contrast to the former encampments of Company #4 and the headquarters unit of Battalion #402, the encampments of its other subunits and those of Battalion #979 are said for all practical purposes either to have been abandoned or to have been turned over to the local population (in most cases Lao Theung).

This is said to mark the completion of the transition away from a system of work and seminar battalions to that of permanent seconding of these battalions' troops as menial or skilled labourers to provincial military offices and civilian administrative sections.

Escapes, Deaths and Releases

According to former Battalion #402 and #979 troops, one result of the change in the form of restriction for "re-education", away from work within the original battalion structures to work under the auspices of civilian administrative sections and military and security forces' offices or in routinely settled agricultural production and animal husbandry units, was a major improvement in the restrictees' opportunities to escape, to (as their slang puts it) "make a jump" *(ton)*.

Starting around 1981, therefore, quite considerable numbers of restrictees reportedly have each year been able to escape from Attapeu, typically making their way via Champassak province into Thailand, but also taking other routes to other destinations. It is reported that as many as 100 escape attempts, most of them successful, occurred yearly, either from inside or outside Attapeu, and that from 1981 through 1985, between one-third and one-half of the ex-troops of Battalion #402 and #979 made successful jumps.

Not all efforts, however, have been successful. Some restrictees have reportedly either been apprehended or, on occasion, shot and killed by LPA troops, security forces or local Lao Theung militiamen, sometimes as they were trying to slip out of their areas of residence or workplaces, but more often as they were trying to make their way to the Champassak border. Others were reportedly taken into custody or, again less frequently, shot and killed in Champassak or elsewhere in Laos or while trying to cross from Laos to Thailand.

According to former restrictees who were able to escape, those taken into custody inside Attapeu while trying to escape from it have generally been jailed at one of three prison facilities in the province: the provincial jail in Samakhixai town, a jail in Xanxai district far to the northeast of Samakhixai town, or a jail closer to town and more directly to the east that is located at a place known alternatively as Boeng Vay or Done Makkhuea. The reported imprisonment of restrictees accused of trying to escape as well as of other wrongful acts is discussed separately, below.

The number of restrictees held for "re-education" in Attapeu province has reportedly thus been reduced over the last five years primarily as a result of successful escapes and occasional fatal shootings of those trying to escape. In addition, however, the number has reportedly fallen because of deaths from disease and "old age," as well as from accidents at work. It is said that many of the deaths by disease were due to poor working conditions, in particular obligatory labour at unsanitary and malarial construction sites where few or no provisions for hygiene or malaria prophylaxis had been made.

"Re-Education" in Attapeu Province: Late 1985

The information available to Amnesty International as of the latter part of 1985 suggests that as of that time perhaps 500-600 veterans of Battalions #402 and #979 were still being held for "re-education" in Attapeu.

Among these, the most recently available reports indicate, probably something more than half were in late 1985 assigned to work under one of Attapeu's provincial civilian administrative sections. The largest numbers of these are reported to be assigned to work under one of four provincial economic sections, either the construction; the transportation, communications and posts; the industry, handicrafts and forestry; or the commerce section. They were said in virtually every case to the "general workers" *(kamakone thouapay)* performing heavy or menial labour tasks, such as putting up state buildings of various types inside or outside Samakhixai town; maintaining and constructing roads and trails; manning ricemills, electrical generating plants or the province's only mechanical sawmill; logging and quarrying; doing coolie labour and stevedoring; digging drainage ditches and laying water pipes, etc.

A few are said to have been performing more skilled labour, such as woodworking, driving, cooking, vehicle repair, even barbering.

The largest concentrations are said to have been found in three state-owned construction "corporations" or "firms" *(bolisat)* answering to the Attapeu construction section and in a "road-making unit" *(kong het thang)* deployed on what is known as Route #16B (or the Katamtok Road) and reportedly answering to the Attapeu transportation, communications and posts section.

The three corporations reportedly were known as Corporations #1, #2 and #3 and each to have between 50 and 80 veterans of Battalions #402 and #979 as workers. Corporations #1 and #2 are said to have been doing construction work primarily inside Samakhixai town, with Corporation #3 more frequently detailed to work at other locations. The Route 16B/Katamtok Road crew is said to have included 50-60 veterans of the two battalions.

The task of these restrictees was reportedly to upgrade a disused colonial-era trail branching off from Route #16 at a point some 40 kilometres north of Samakhixai town and winding its way westward up onto and across the Bolovens Plateau in northwestern Attapeu, to transform it from a trail into a loose-surface road passable to ordinary traffic, at least during the dry season. This work is officially stated to have begun in early 1984, and to have proceeded with help from Attapeu's neighbouring and "sister province" in Vietnam, Gai Lai-Cong Tum. The project reportedly involved intensive upgrading of at least 40-50 kilometres of muddy and rocky track, from the Route #16 turnoff point north of the village of Ban Kangiak to the area of the village of Houay Kong, near the Attapeu-Champassak provincial boundary. The restrictees' contribution to the upgrading work is said according to a variety of sources to have been made almost entirely by hand, as they laboured their way with picks and shovels from one makeshift bivouac to another through a region that is among the most heavily hit by monsoon rains in Laos (an average of approximately 140 inches of rain a year). By July 1985, according to an official broadcast over *Radio Vientiane*, the work to construct this "new road in the mountainous area linking Attapeu and Champassak provinces" was "70% complete," and it was hoped that construction would be "completed and the road opened for traffic by the end of 1985 as a gift to Attapeu on the occasion of the December 2 national day."

At last report, the work was, however, still not fully completed, and at least some restrictees remained at work on certain parts of the project.

Most of the remainder of the veteran Battalion #402 and #979 restrictees said to be working in the latter part of 1985 for Attapeu civilian administrative sections with economic functions were reportedly to be found either in the state plan or the equipment and supply sections. Others were said to be working for civilian administrative sections with non-economic functions, either the public health, the propaganda, or the culture sections.

The ex-Battalion #402 and #979 restrictees working for these various sections reportedly were for the most part menial labourers, but a fair number of them were said to be performing relatively skilled tasks, working, for example, as engineers, maintenance men and repairmen, medics and pharmacists, or even playing musical instruments (such as the saxophone).

The information available to Amnesty International as of the latter part of 1985 suggests that as of that time perhaps another one-fifth to one-fourth of the veterans of Battalions #402 and #979 still being held for "re-education" in Attapeu were assigned to work under the auspices of offices of the provincial military or security forces. The largest number was said to be working under the auspices of the offices of the Provincial Command Committee *(khana banxakan khoueng)*, which reportedly oversees Attapeu's provincial military forces, while a smaller number were said to be working under the auspices of the offices of the Provincial Defence of Peace and Order Units *(kong pongkan khouam sa-ngop souk khoueng)*, which reportedly function like a provincial police. Most of these two groups of restrictees were said, like those working under civilian administrative sections, to be doing heavy or menial labour, including construction work and road work at military bases, as well as more unusual unskilled tasks such as taking care of the provincial armed forces' herd of transport elephants.

A relatively large proportion of those working for the military or security forces, however, were said to be doing skilled labour of various kinds, including making furniture, blacksmithing, maintenance and repair work, driving and boat piloting.

Most of the remainder of the ex-Battalion #402 and #979 troops said still to be held for "re-education" during the latter part of 1985 were reported as of that time to be attached either to the Ban Hom Settlement or to the Reform and Reconstruction Centre/Tha Bak/402 headquarters unit site opposite Samakhixai town.

There were said to be approximately 100 battalion veterans restricted, together in many cases with their families, to Ban Hom, and a smaller number restricted across from Samakhixai town, where, as was noted above, they in both cases formed an overwhelming majority of the restricted residents. Also as was noted above, they had in both places long been engaged primarily in agricultural production activities. Although the most up-to-date information available is that their work remains the same, there are, however, some recent reports indicating that both groups of restrictees may towards the end of 1985 have been obliged to turn over some of the fields they had pioneered and farmed for several years to other, non-restricted, cultivators, and once again open new fields for themselves to work, and that some of them may at the same time have had to abandon for occupation by others the dwellings they had earlier built and put up new shelter to live in.

Available reports indicated that the agricultural settlements said to be largely populated by restrictees brought down from Salavane in 1979-80 were relatively unlikely to be encroached upon in a similar manner, at least as far as the settlements at Phou Dam Khouan (#18), Phoum Kong Toun (#20) and Kong My were concerned. The most recent information indicates that the approximately 180 families said to be restricted to these three settlements continued as of the latter part of 1985 to farm the same fields and live in the same dwellings as in previous years.

"Re-Education" in Attapeu Province: Prison Facilities

A number of restrictees have reportedly been caught attempting to escape from "re-education" in Attapeu and interned as of the latter part of 1985 in one of three "jails" *(khouk)*: one in remote Xanxay district, one some 20 kilometres east of Samakhixai town in the Xexou River valley at a place known either as Done Makkheua or Boueng Vay, and one inside Samakhixai.

In addition to holding restrictees who are said to have been caught attempting to "make a jump," these facilities are reportedly also used for detention of other categories of errant restrictees. These are said to include restrictees who are alleged to have "made mistakes" in their work, "opposed the [RPPL's policy] line," "shirked work," engaged in "resistance activities," behaved in manners deemed "dangerous to society" *(phai sangkhom)* or been involved in "corruption."

They reportedly may also include restrictees who have allegedly complained in letters about their treatment or conditions of work in "re-education" and also members of already jailed restrictees' families who have tried to visit their newly apprehended relatives only to be imprisoned themselves. It is reported that most restrictees imprisoned are placed in jail without having been afforded any sort of trial or other legal process, and that periods of imprisonment are generally indefinite.

According to available information, all the known prison facilities in Attapeu province are administered under the auspices of the Provincial Defence of Order and Peace Units. It is reported that the jail in Samakhixai town is located in a compound approximately one hundred metres square, adjacent to the headquarters of the Provincial Defence of Order and Peace Units and about 150 metres from the bank of the Xe Kong River. It is said that this facility is known as a "light punishment" *(thot bao)* jail, and that it is generally used to incarcerate persons whose alleged misbehaviour is considered relatively minor, whether restrictees or others. Its total population is said to vary between 50 and 100 inmates. Conditions are reportedly severe, there in particular being no provisions either for protection against mosquitoes or regular bathing.

Both the Done Makkheua/Boueng Vay and Xanxay facilities are said to be "heavy punishment" *(thot nak)* jails run by local Lao Theung working for the Defence of Peace and Order Units. They are reported generally to be used to incarcerate persons whose alleged misbehaviour is considered relatively serious, again both restrictees and others, and conditions in them are reportedly extremely difficult. Populations have not been reported, but it has been noted that the Done Makkheua/Boueng Vay jail is newer than that in Xanxay, that while the latter has existed since before 1975, the former was not set up until 1980.

In addition, available information regarding the most recently known location of persons believed held for "re-education" in Attapeu indicates that perhaps 2% of the total number of such persons were, as of the latter part of 1985, incarcerated either in the Samakhixai town, the Xanxay or the Done Makkheua/Boueng Vay jail.

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CSO: 4200/787

MALAYSIA

PAS ACTION RULED 'UN-ISLAMIC'

Kuala Lumpur NEW STRAITS TIMES in English 20 Feb 86 p 1

[Article by Vijayan Menon]

[Text] **PEKAN, Wed. — The National Fatwa Council today concluded that the *amanat Haji Hadi* (Haji Hadi's message), which sparked off the *mengkafir* issue and launched a Pas *Jihad* (holy war) for the establishment of an Islamic State in the country, is un-Islamic.**

Members of the council were unanimous in their conclusion that the *amanat* was contrary to Islam and posed a threat to the Muslim community.

Council chairman Prof Tan Sri Haji Abdul Jalil Hassan said this afternoon that the council believed the *amanat* also went against the principles of the Islamic mission *(dakwah Islamiah)* and that conflicting views would only lead to chaos.

He said the council arrived at the conclusion at its 16th meeting here. The meeting was inaugurated by the Tengku Mahkota of Pahang yesterday.

Haji Hadi Awang, the Pas vice-president, issued the *amanat* in September 1983 while campaigning during the Selising by-election in Kelantan.

In the *amanat*, the Pas leader said:

'We oppose Umno not because it is Umno, we oppose the Barisan Nasional not because it is called Barisan Nasional.

'We oppose them because they maintain a colonial Constitution, maintain infidel regulations, maintain unholy regulations.

'It is because of this we fight to oppose them. Believe us when we say that our struggle is a holy war, our donations are for a holy war and, and because we are fighting against such a group, if we die in this fight, our deaths will be the deaths of martyrs. Our deaths will be an Islamic death.

'We do not have to become Jews, we do not have to become Christians, we do not have to become Hindus, we do not have to become Buddhists, but we can become infidels by saying that politics is politics and religion is religion.'

Posters of the *amanat* now grace the walls of many Pas clubs and centres. One was also found on a wall of Ibrahim Libya's house in Kampung Memali.

Prof Tan Sri Haji Jalil said Muslims should be wary of conflicting views on religious rulings advocated by individuals or groups with ulterior motives.

He said the council deliberated on the *amanat* in detail and unanimously concluded that it was contrary to the teachings of Islam.

He advised Muslims to refer to State muftis or their respective State Fatwa Committees if they were confused by any religious matter or ruling.

He added that the two-day discussions *(muzakarah)* were attended by 20 ulamaks. They included 14 muftis from all the States and six people appointed by the Rulers' Council.

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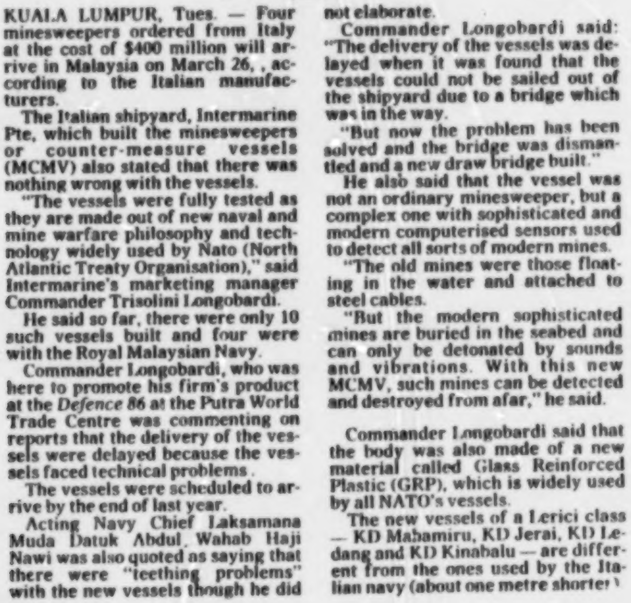
CSO: 4200/775

MALAYSIA

FOUR ITALIAN-BUILT MINESWEEPERS ARRIVING SOON

Penang THE STAR in English 19 Feb 86 p 2

[Text]



KUALA LUMPUR, Tues. — Four minesweepers ordered from Italy at the cost of $400 million will arrive in Malaysia on March 26, , according to the Italian manufacturers.

The Italian shipyard, Intermarine Pte, which built the minesweepers or counter-measure vessels (MCMV) also stated that there was nothing wrong with the vessels.

"The vessels were fully tested as they are made out of new naval and mine warfare philosophy and technology widely used by Nato (North Atlantic Treaty Organisation)," said Intermarine's marketing manager Commander Trisolini Longobardi.

He said so far, there were only 10 such vessels built and four were with the Royal Malaysian Navy.

Commander Longobardi, who was here to promote his firm's product at the *Defence 86* at the Putra World Trade Centre was commenting on reports that the delivery of the vessels were delayed because the vessels faced technical problems .

The vessels were scheduled to arrive by the end of last year.

Acting Navy Chief Laksamana Muda Datuk Abdul. Wahab Haji Nawi was also quoted as saying that there were "teething problems" with the new vessels though he did not elaborate.

Commander Longobardi said: "The delivery of the vessels was delayed when it was found that the vessels could not be sailed out of the shipyard due to a bridge which was in the way.

"But now the problem has been solved and the bridge was dismantled and a new draw bridge built."

He also said that the vessel was not an ordinary minesweeper, but a complex one with sophisticated and modern computerised sensors used to detect all sorts of modern mines.

"The old mines were those floating in the water and attached to steel cables.

"But the modern sophisticated mines are buried in the seabed and can only be detonated by sounds and vibrations. With this new MCMV, such mines can be detected and destroyed from afar," he said.

Commander Longobardi said that the body was also made of a new material called Glass Reinforced Plastic (GRP), which is widely used by all NATO's vessels.

The new vessels of a Lerici class — KD Mahamiru, KD Jerai, KD Ledang and KD Kinabalu — are different from the ones used by the Italian navy (about one metre shorter)

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CSO: 4200/775

MALAYSIA

ARMY ASSAULT CRAFT ORDERED FROM DUTCH

Penang THE STAR in English 18 Feb 86 p 4

[Text]

KUALA LUMPUR, Mon. — The army has ordered 165 assault craft from a Dutch Company to transport troops and heavy vehicles across rivers.

The Far East director for Damen Shipyards, Mr Fedrik Smit, said 60 of them were being made in the Netherlands and the rest in Limbungan, Terengganu.

The aluminium craft would be assembled by Limbungan Timur Sdn Bhd. The 60 would cost the army about $1.5 million.

The cost of the locally-assembled craft would be worked out by Limbungan Timur, Mr Smit told reporters at the *Defence 86* exhibition.

The Damen Fast Assault Craft 540 is a vessel designed to transport a fully-equipped infantry section of 10 men.

One man can navigate the craft, which is powered by an outboard engine. The craft can be used at sea, but within two nautical miles of the beach.

/9274
CSO: 4200/775

THAILAND

INDUSTRY MINISTER ON SUGAR CRISIS

Bangkok NAEO NA in Thai 16 Dec 85 p 4

[Text] We interviewed Dr Chirayu na Ayuthaya about his work policy when he first took his post, replacing Mr Ob Vasurat, who had to resign due to the fallout from the "9 September Incident." Now we have "the sugarcane and sugar issue," so we asked to interview him about this problem. In an exclusive interview, Danal Ekmahasawat, the driving force of NAEO NA BUSINESS WORLD, interviewed Dr Chirayu, who willingly made the problem understandable in a polite, gentle, and informal way. Note: This interview was conducted on 4 December before sugarcane growers held a protest at Rama V Plaza.

[Question] What are the antecedents to and the fallout from sugarcane growers in Suphanburi Province harvesting their sugarcane before the mill started to operate its presses? This caused turmoil.

[Answer] At this moment, the Ministry of Interior is investigating through the provincial police. The Ministry of Industry is also investigating. The problem might stem from many causes. We must understand right from the start that the primary point is not the issue of the normal start up of sugar mill presses. Rather, the mill sought to test its equipment; the Refly Chaimongkol mill is a brand new one, which has never pressed sugar before.

This mill requested to test its equipment two weeks ago. The Sugarcane and Sugar Commission feared that if it allowed raw sugarcane to be pressed oil-fueled engines, there would be a problem in knowing how much sugarcane would be pressed.

Many growers might want cash so they might hurry to deliver sugarcane to the mill. At what point would the presses be shut down? The commission feared that having a small amount cut and pressed would become a force pressuring farmers to cut sugarcane as soon as the mill started to operate its presses.

In addition, the commission was also worried about many matters that have not been reported to me but which I can guess. If the commission allowed the mill to use fresh sugarcane to test the presses, there would be quite a few problems to worry about.

Consequently, the mill requested to test the equipment without using sugarcane, meaning testing the equipment itself to see if it worked well. Here, however, the mill might have been thinking that the commission would give permission to test the equipment with sugarcane. The mill might have contacted the growers in advance. It's not that as soon as permission was granted that the sugarcane was cut, because cutting sugarcane is not done very easily.

Or else, some parties whom we don't know right now--let's not say the mill or the growers or whomever--but 500-600 truck loads of sugarcane were cut.

At the time that I talked with the undersecretary of state of the Ministry of Industry, the problem had already arisen. But let's not talk about who got shot by the arrow or who shot the arrow; help those who have been shot first, then we can investigate later.

However, it can be seen--regardless of one's perspective--that there are six issues resulting from pressing sugarcane out of season. Clearly, it was not a simple matter; the commission should not have allowed the mill to start pressing just because the mill wanted it. This ruling has impacted the system considerably.

Regardless, the matter is finished, the problem has been solved. Hopefully, there has not been that much damage. Many administrators are happy to have solved the problem, but some of them might be a little hurt because they were threatened, which is not good. We solved the problem, not because we were threatened, but because there was trouble.

[Question] Isn't politics one of the causes of the Suphanburi sugarcane problem?

[Answer] I think the politics came afterwards. It entered in because whenever there is trouble, people come to see how and why the trouble has arisen. They came to watch over the situation--there was nothing harmful about that--which is something that should be supported.

There is nothing harmful if they are helping to coordinate between officials and those who are in trouble. Government officials themselves were already taking care of the matter fully. The politicians came in to help, which in this case was no problem.

But please don't come in during other circumstances and incite the people and make it impossible for us to deal with the situation. We want to respond to the needs of everyone, but it has to be done within the law, so we must request everyone to sympathize with us.

[Question] Is it possible that they wanted to test you, Professor, because you had just become minister?

[Answer] No, not at all. There is no such issue... None whatsoever.

[Question] And then the price that was proposed--420 baht per ton--can it be done?

[Answer] Price is the issue in the end; but more important than that is how to have it rise to its highest. Saying what the desired price is or what the price should be is not as important as how to make the price go higher. I am looking at that.

[Question] Would additional protests against the price for sugarcane be a major problem?

[Answer] They certainly would be a problem. But surely they see that it is the government's duty and responsibility to solve the trouble by gently promoting and supporting those businesses involving farmers that are experiencing problems. The government should solve those problems as much as possible. It should help and support those businesses so they survive, so that they will benefit the country and farmers in the future.

But intentions alone are not enough and setting a good target price alone is not enough; they have to be actually accomplished. While we are trying to make the growers see that we are discharging our responsibilities, mutual understanding should develop.

Therefore, those protests surely will not occur. On the contrary, if we look at it from another perspective, if they ask for this or that and we say that it cannot be done and do nothing, then there are reasons to protest. But if we do everything reasonable, I would be surprised if they still protested.

[Question] Is the major reason for the protest the fact that the price is still not as good as they want?

[Answer] That's right. That's why I say that the point that we have to work on right now is to look at the things that will make the price increase, not asking for a higher price. I can vouch that District 7 officials, Mr Somphab, chairman of the Special Sugar Commission Task Force, and Mr Rewat, Kanchanaburi Chart Thai Party MP, not only talked about the target price, but also were looking for some measures to make the price higher.

[Question] Professor, are you worried that you must handle this problem?

Worried? Sure, I am very worried. But you can assess for yourself whether I worry and run away from the problem or worry and fight back?

[Question] If it is an economic issue, I believe that you can contend with it easily. Lately, there are indications that this problem is also entangled with politics. What game plan are you drawing up for handling the political aspects?

[Answer] Politically, I think that people want sincerity, responsible work and reliable public information to make them understand that I am not staying still doing nothing but that I am doing everything possible. I don't have anything more than that. My politics are not politics that use force or power for solving political problems.

[Question] Do you think you can solve the problem without it reaching the Office of the Prime Minister?

[Answer] The prime minister has received letters with recommendations about the issue. He has expressed his thanks for those recommendations. And he has insisted that I examine those recommendations and report to him. If you consider this as having reached the Office of the Prime Minister, then I admit it.

[Question] In your opinion, are the actions of the Chart Thai Party clearly secondary when the prime minister is so confident?

[Answer] I look at it rather that the Chart Thai Party is concerned about the nation instead of taking advantage of the deteriorating economy to propagandize its politics. Rather, it is trying to do its homework and has sent it recommendations by letter to the prime minister for the government to consider. I myself do not know if there is anything better than this that I can hope for.

[Question] Many people have noted that Chart Thai Party actions are a secondary matter. The fundamental problem is that the sugarcane growers are refusing to end the problem at the negotiation table; instead, they are lobbying outside, so solving this kind of problem depends on the individuals. And in the future, if the price of sugar in the world market increases, the prices of everything else will increase. If growers are still like this, then it is not certain that the problems with the 70/30 sharing system will end?

[Answer] I don't approve of that kind of behavior. I would like less of these kinds of actions. I am not looking for an excuse. Please, I think that's typical of Thai people, isn't it, not only of the Sugar Commission. There should be a way to solve this problem.

[Question] If the problem persists?

[Answer] I think we must get to the core of the problem, such as the distrust, dissatisfaction, and conflicts of opinion with mutual respect and democratically. We can work together better when all persons accept the rules and respect each other's opinion, whatever the decision at the table is.

But from the past, I feel that I was attacked for not working efficiently because I am too democratic. I allow too many things to happen. I should pound the table sometimes, but I have not taken that direction yet.

[Question] Professor, do you have to pound the table sometimes?

[Answer] I think sometimes I might have to do so when I reach my maximum limit: That's enough. It shows that there must be something that makes us unable to have mutual respect.

[Question] Do you mean the leaders in some groups in some districts?

[Answer] I don't know. (Both interviewer and interviewee laugh).

[Recorded by Khamron Wanwangeri]

12587/9435
CSO: 44207/133

THAILAND

EDITORIAL ACCUSES GOVERNMENT OF CONCEALING ECONOMIC DATA

Bangkok NAEO NA in Thai 16 Dec 85 p 4

[Text] One of the interesting research studies reported at the "The Next Step in National Development" seminar organized by the National Development Research Institute at Pattaya last weekend was "An Overview of the Thai Economy." This report discussed fundamental problems such as the trade, loan repayment and budget deficits, private sector and government competition for overseas loans, the worsening unemployment problem etc. These stem from the ease with which the Thai economy, the government as well as the private sector, have bought economic growth by relying on generating overseas debt. When revenues fall below the debt burden, the ratio of loan repayments to export earnings shoots up. This creates pressures that restrict the growth of the Thai economy, which is then set back from another angle.

The report estimates that next year and the following year, Thailand's international loan repayments will reach 30 percent of export earnings, which is a frightening figure and which makes the outlook for Thailand closer and closer to that for the Philippines, which is bankrupt. Normally, Thailand sets a limit of 20 percent of its foreign currency earnings for its debt repayments, but it appears that debt repayments will exceed that by 50 percent.

Lately, economic reports by government, private sector and independent exports, there have been reports with identical data concerning the dangerous turns that the nation's financial, treasury and trade situations are taking. There are unceasing activities that are making the government alert to looking for ways to adjust itself in these matters. The government seems to have acknowledged this all along. The obvious thing is its attempt to set a ceiling on incurring overseas debt and to slow down its rate every year. Apparently this grave national problem has not eased that much since a large number of persons are not trying to understand what the nation is facing. In addition, the government itself has not developed good data and control systems yet, so the problem has become chronic and is difficult to solve.

Worse than that, the government itself is trying in many ways to conceal various data about the national economy, instead of reporting it fully in a call for unity to solve the problem. This includes not transmitting it to the media and experts, so they have gone in to dig out such data and play it up, which has caused certain policies to be reviewed. Right now, we cannot solve the problem by relying on the government alone; we absolutely need the cooperation of the private sector to report out the data systematically to guide us in making the correct economic adjustments.

Marketing information and data that will help Thailand adapt to survive in a competitive world should be included, in addition to data systems about varous conditions in the country. Cooperation to overcome the upcoming dangers will be futile if there is no reliable data and good direction in closely coordinating such efforts.

12587/9435
CSO: 4207/133

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

KPNLF LEADER BLASTS 'PHONY' LETTER, CHIDES SIHANOUK

Bangkok THE NATION in English 20 Feb 86 p 4

[Text]

Dear Sir,

We are amazed that cheap political stunt by "Pen Thouk Kary" (Letter 24.1.86) could find its way to the page of your respectable paper.

You might be interested to note that there is no one by that name in Melbourne and that the P.O.Box as indicated belongs to the Khmer Community of Victoria — a Cambodian welfare association which according to its constitution is a non-political organization, and only concerns itself primarily with the settlement welfare of Khmer refugees in Melbourne. Naturally no one connected with that association has any knowledge of a "Pen Thouk Kary" and/or his infamous letter.

For a desperado to hide behind a phantom name and tries to incriminate a welfare agency is an act of cowardice of the lowest denominator. Yet the architect of the letter has the gore to carry on about "Democracy" and "Democratic institution." There is no need to reveal the identity of the writer and the organization he belongs to — no matter how provocative a letter of this nature could be. We believe that such disparage by a desperate detractor in the present tense political environment does not deserve undue attention, less we got involved in the mud-slinging and muck-raking exercise, which "Pen Thouk Kary" seems to be specialized in.

We, Cambodians, have indulged in self-incrimination for far too long. This extended acrimonious self-denigration has inflicted devastating damage to our sense of self-image, self-belief, self-respect, and morale. This self-inflicted injury has resulted in our near complete loss of credibility as a race and a nation.

The period of agonizing self and soul-searching has long passed. It is now time for reckoning. And as Prince Sihanouk has stressed on numerous occasions during his Australian visit to Melbourne in March 1985, the present real enemy of Cambodia is Vietnam and not any of the factions of the Coalition Government. "Pen Thouk Kary" is completely off the mark when he tried to glorify the Prince whilst at the same time, in his twisted logic and crazy sense of rationale, denigrated President Son Sann. For it was the Prince who had publicly supported President Son Sann in the present KPNLF leadership difficulty.

The question that "Pen Thouk Kary" should have raised should not concern who has been or is a better leader, for history will judge our leaders by their records.

After the French we had 16 years of "popular" leader followed by another 16 years of ineffectual leaders. History has clearly shown that to be a popular leader is one thing, but to be an effective leader is another. President Son Sann has never pretended to be the first, but has striven with insurmountable obstacles to be the latter. He has chosen to be truly respected, which is more lasting, rather than being vaguely liked.

The question at this juncture of our national liberation struggle would be whether all of us, Cambodians, realize that time is running out on us; and therefore would we be responsible enough to face ourselves fairly and squarely and ask ourselves the one REAL question that we seem to have been avoiding all the time during the past 7 years — i.e. we all had the courage to take up armed resistance against the Vietnamese occupiers, do we now have the real gut to call on the positive side of our Khmer characters — and have the REAL COURAGE to forgive, forget and make up, so as to get on with the serious business of liberating Cambodia from the Vietnamese colonialists?

Yours sincerely,

Lim Muy Hong
PRESIDENT
Khmer People's National Liberation Front, Australia

/9317
CSO: 4200/786

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

ANS GENERAL CITES SUPPORT IN INTERIOR, DK HARASSMENT

Bangkok BANGKOK POST in English 21 Feb 86 p 4

[Article by Jacques Bekaert]

[Text]

SITE B — General Duong Khem has just returned from almost three months inside Kampuchea. The commander of the 1st Brigade of the National Sihanoukist Army is probably the highest-ranking nationalist leader to have spent such a long period of time inside the country.

"To go as far as the eastern border of Siem Reap province is not a very difficult task," explained Duong Khem in an interview with this correspondent during a recent visit to the Sihanoukist camp at Site B, where the general was enjoying a week of rest before returning to the battlefield.

A native of Prey Veng province where he was born in 1933, Duong Khem took over the military command of the "Moulinaka" brigade of the National Sihanoukist Army (ANS) after the death in August 1984 of Colonel Nhem Sophon, who succeeded the founder of the first Sihanoukist armed movement, Kong Sileah, in August 1980.

A professional soldier, Duong Khem was a paratrooper in the Cambodian army. During the regime of the Khmer Rouge he was in Battambang, doing hard labour. He managed to escape in 1978 as he was about to be executed.

"We are aware that Vietnam is trying to close the border but I doubt if they can suceeed," said the general. "So far we have always found ways to go inside."

Duong Khem left last November with a group of 180 men. "They are inside now, establishing a new base somewhere in Siem Reap province. They have joined several hundreds of our troops already there." He came back about two weeks ago, with a group of soldiers due for a rest.

"What amazes me," said Duong Khem, "is the amount of assistance we receive from villagers and soldiers of the Heng Samrin army. The latter even sometimes give us free rice." A group of soldiers from the People's Republic of Kampuchea indeed has served as the ANS avant garde to ensure the safe return of the general and his group.

"It is thanks to villagers who acted as the go-between that we made the contact with the Heng Samrin troops. They heard that there was a Sihanoukist general in the area and told the villagers they would like to get in touch with us."

The PRK soldiers explained to the ANS troops that they did not want to have anything to do with the Khmer Rouge or the Vietnamese. "They only wanted to support Samdech Sihanouk, they told us."

One of the main aspects of Duong Khem's mission inside Kampuchea was to establish a stronger Sihanoukist presence in Siem Reap province and develop the ANS propaganda network.

Heng Samrin troops are equipped with old AK 47 and have no more than 60 bullets per man, according to General Duong Khem, while an ANS soldier carries at least 300. "It gives the impression the Vietnamese do not really trust their own ally. But then you cannot blame them."

The general had gone with dozens of small radio sets, pictures of Norodom Sihanouk and cassettes with messages from the Prince, as well as bulletins in Khmer printed by the propaganda services of the ANS.

"The reaction to the cassettes was extraordinary. Usually we organised villages meetings and played the tapes for the inhabitants. Their reaction was highly emotional. They recognised the voice of Prince Sihanouk. People went on their knees, hands clasped together as a sign of respect. Many people were openly crying."

On such occasions the ANS usually distributes extra food, clothes and medicine to villagers. "The area I visited is very poor. The only food in fairly normal supply is rice, but nothing to go with it. The diet is very unbalanced. The medical situation is tragic, with numerous cases of malnutrition. That's why people are happy to exchange rice for the vegetables that we bring."

Villagers told Duong Khem that every other week a Vietnamese political cadre would come to town to provide political education, praising the merits of the "Communist Party."

But, said the general, everywhere they went the great obsession of the people was the obligation to go to the border for the construction of the border wall. "Men leave their villages in great numbers to take refuge in the nearby forests. They know how dangerous the work — which they identify as "forced labour" — is. We met dozens of such people. They were only too eager to help us. They were usually of great assistance to us, providing us with crucial informations about who is who in the village."

Another source living in Phnom Penh recently confirmed to us the impact of the border work on the entire Kampuchean population. "To the Khmers, it is like going back to the time of Pol Pot, even if it is only for a few weeks. The conditions are terrible, malaria is ever present and regional hospitals are full of the border work casualties. It also adds to the Khmer resentment toward Vietnamese civilian settlers since the Vietnamese do not participate in the construction of the wall," the source, who has been able to travel to several provinces, told the *Bangkok Post*.

"Most villagers as well as the Heng Samrin cadres we talked to were sceptical about the announced intention of Vietnam to withdraw its troops from Kampuchea. People told us constantly: Kampuchea would be a new Champa, we would be absorbed by Vietnam."

Duong Khem was also critical of the tactic employed by the National Army of Democratic Kampuchea. "We could have gone further into Kompong Thom if it had not been for the Khmer Rouge. They created a lot more problems for us than the Vietnamese. They harassed us many times, which of course was the best way to alert the Vietnamese army of our presence...

"In several villages we were told that men had fled to the forest to escape forced conscription either by the PRK army or the Khmer Rouge.

"As the ANS develops its presence inside the country, we can count on the growing support of the people. The people want Sihanouk back. Some remember him as their king, the younger ones have been told about him by their parents. We are the soldiers of Sihanouk and that's why we receive such assistance from everybody, sometimes even the Khmer Rouge rank and file," said the general.

He has recently been made the personal assistant to Prince Norodom Ranariddh for political affairs and expects to go back inside Kampuchea any time soon.

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CSO: 4200/786

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

KPNLF SPLIT IN LEADERSHIP WIDENS

Bangkok BANGKOK POST in English 21 Feb 86 p 3

[Text]

A POWER struggle within the Kampuchean resistance group headed by nationalist Son Sann has intensified following his announcement that two military leaders had left their posts, informed sources told Reuters yesterday.

Thai and diplomatic sources said neither Son Sann nor a faction led by General Sak Sutsakarn was in control of the Khmer People's National Liberation Front.

Son Sann said on Wednesday he had accepted Sak's resignation as commander-in-chief, fired chief of staff Dien Del and thrown two other dissidents out of the KPNLF.

He said the moves had healed a two-month rift in the anti-Vietnamese, non-communist organisation.

But Thai sources said actual command of the KPNLF's guerrillas had fallen by default to a committee of 10 commanders controlling individual units along the Thai-Kampuchean border.

Diplomats said the leadership rift had left the KPNLF moribund and that at most only a few hundred of its fighters were operating deep enough inside Kampuchea to be considered part of the insurgency there.

The KPNLF, which says it has 15,000 guerrillas, is allied to fighters led by Prince Norodom Sihanouk and to the communist Khmer Rouge.

Sihanouk shuffled his own military leadership last month, naming his son Ranariddh as commander-in-chief in place of General Teap Ben.

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CSO: 4200/786

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SAK SUTSAKHAN LEADERSHIP FACTION DISCUSSED

Bangkok THE NATION in English 28 Feb 86 p 5

[Text]

KHMER military leader Gen Sak Sutsakhan visited some of the commanders of the Khmer People's National Liberation Front (KPNLF) on the Thai-Kampuchean border in a move to reassert his command over the resistance force — a couple of days after KPNLF President Son Sann deprived him of the top military and other political posts in the front.

Out of the eight base commanders, five, including Col Prumvit, were present to receive Gen Sak, who also chaired a series of meetings with political cadres, camp administrators and Khmer civilians during the border tour from Feb 22-25.

Son Sann on Feb 18 appointed Col Prumvit, base commander of Sokh Sann, as his top military commander in place of Gen Sak and head of a four-man committee to oversee the front's military affairs.

The other three members of the committee are Chea Chhut, base commander of Nong Chan base, Keo Choun, base commander of Nam Yuen and Im Chhoodeth, a member of Son Sann's Executive Committee (Exco). Chea Chhut and Keo Choun were named by Son Sann as vice chairmen while Im Chhoodeth was appointed adviser to the committee.

Chea Chhut and Im Chhoodeth have declared allegiance to Son Sann while Keo Choun and Prumvit have stayed clear of the dispute in the movement.

The other four base commanders who were present to receive Sak, accompanied by Gen Dien Del and all the staff members of the High Military Command, were Nong Samet Base Commander Liu Ne, Bak Roneas Base Commander Pann Thay, Thlok Base Commander Thou Thip and O'Bok Base Commander Sopheak Rachana. Dien Del and the four base commanders have pledged allegiance to Sak.

Son Sann has also sacked Dien Del from his post as chief-of-staff as well as other political posts and dissolved the High Military Command led by the general.

Prumvit was quoted as telling Sak that he had no knowledge of his appointment as the head of the four-man committee. But Son Sann's spokesman Col Sangwar de Lopez had earlier told *The Nation* that the four members had been informed of the establishment of the committee and their new positions.

Prumvit reportedly told Sak during the border trip that he heard of the establishment of the four-man committee from the Voice of America while he was in his Sokh Sann base opposite Chanthaburi Province.

The other base commander, Ta Maing of Prasat Tbeng base, who was absent from the meetings with Gen Sak, is said to be neutral in the leadership crisis. Sak told the base commanders to continue their fighting against the Vietnamese under his command but he did not go as far as touching upon the leadership crisis which pits him against Son Sann. The same message was conveyed to political cadres and some camp administrators during his visit to Site Two.

The Nation has also learned that Sak plans to call a meeting of all the key commanders of the KPNLF on the border very soon in a move to consolidate his position in the resistance force.

Col Sangwar de Lopez, contacted by *The Nation*, said that he did not want to make any comment concerning Gen Sak's visit to the border.

He reaffirmed the order to deprive Sak and Dien Del of their posts. He said that the decision had been taken and was endorsed by the Executive Committee during a meeting on Feb 15.

The spokesman claimed that Prumvit had been informed of the new appointment and had accepted it. Son Sann has also ousted two other dissident members, Dr Abdul Gaffar Peangmeth and Hing Kunthon from the movement.

/9317
CSO: 4200/786

VFF GREETS KUFNCD ON SRV-PRK TREATY ANNIVERSARY

BK270812 Phnom Penh Domestic Service in Cambodian 0430 GMT 27 Feb 86

[Text] The Central Committee of the Vietnam Fatherland Front sent a greetings message recently to the KUFNCD [Kampuchean United Front for Construction and Defense] National Council on the 7th anniversary of the signing of the treaty of peace, friendship, and cooperation between the SRV and the PRK. The message stressed:

The signing of the treaty of peace, friendship, and cooperation between our two countries on 18 February 1979 was an event of historical significance in strengthening the bonds of friendship and special relations between Vietnam and Cambodia, tempered and tested for years by common struggle in the same trench against imperialism, colonialism, and expansionist-hegemonist reactionary forces.

Over the past 7 years under the leadership of the KPRP, the Cambodian people have won great victories, particularly the victory in the 1984-85 dry season along the Cambodian-Thai border in sweeping the reactionary Cambodian remnants and the great victory of the recent Fifth KPRP Congress. These victories testify to the good will, solidarity, and determination of the Cambodian people. The all-around cooperation between Vietnam and Cambodia as well as among Vietnam, Laos, and Cambodia constitutes a factor determining the victories and helping our three peoples to overcome all difficulties, to foil all perfidious maneuvers of the expansionist-hegemonists and their henchmen, and to win great successes in the national defense and reconstruction efforts of each of our countries, thus actively continuing to the defense of peace and stability in Southeast Asia and the world.

On this occasion, we would like to express profound thanks to the Cambodian people and the KUFNCD National Council for wholeheartedly assisting the Vietnamese revolution. We wish the Cambodian people successes in the implementation of the Fifth KPRP Congress resolutions. May the bonds of friendship, militant solidarity, and special relations between our two peoples last forever.

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CSO: 4212/63

PRACHEACHON EDITORIAL MARKS WOMEN'S DAY

BK080920 Phnom Penh Domestic Service in Cambodian 2300 GMT 7 Mar 86

[PRACHEACHON editorial: "Cambodian Women Are Confident in the Party and Revolution and Are Advancing"]

[Text] An international conference of women from 17 countries held in Copenhagen, the capital of Denmark, decided to observe 8 March each year as the day of world women's united struggle for rights and freedom, equality, democracy, and social progress. Since then, 8 March has become the day of struggle for the well-being of women and children and for all-around equality between women and men. In socialist countries, women enjoy equal rights as men. March 8 has become a yearly traditional festival of women.

The PRK Constitution clearly defines the equal rights between women and men, and the KPRP has focussed its attention on creating facilities for women to participate in social work, thus enabling our fraternal women to make progress in all fields and turn the 8 March spirit into a resolute will contributing to firmly defending national independence and building our Cambodian fatherland gradually through a transitional period toward socialism.

During the past 7 years, besides the increasing advance of our revolution, the livelihood of women has improved with each passing day, thus stimulating our women's revolutionary awareness and encouraging them to serve the struggle more actively such as in persuading their husbands and children to serve in the army and militia units and the national defense, willingly transporting food to combat units without fear of sacrifice, diligently visiting Cambodian combatants and Vietnamese Army volunteers, and being ready to serve in combat. In 1985, fraternal women distributed more than 6.066 riel to the army and actively launched several forms of struggle against the enemies inside the country. In several places, women have volunteered to join militia and self-defense units to defend local security and attack the enemies resolutely, such as the women in Trapeang Chong Commune, Bakan District, Pursat Province. Some other women have cooperated with the authorities in the search for enemy networks, hide-outs, and arms caches. For example, the mine disposal company in Svay Rieng Province while on a national defense mission actively persuaded misled persons to return to their families and the revolution.

According to reports by 17 provinces and municipalities, in 1985 fraternal women persuaded 779 misled persons to return to the fold. As the spirit of mutual assistance, especially toward the families of combatants and workers on national defense labor missions, has been firmly consolidated, in 1985 the fraternal women helped the needy families with more than 2 million riel. In the fields of production, industry, agriculture, and craftsmanship, the fraternal women also made noteworthy feats. Women who comprise the majority of production forces in state enterprises, collective production institutes, and handicrafts worksites have strictly abided by the internal discipline and regulations, protected and preserved collective property, and emulated in promoting the production output and its quality thus ensuring sufficient supply to meet the demand of the people. In solidarity groups for agricultural production, fraternal women have fought valiantly to surmount various obstacles caused by floods, drought, and sabotage activities of the enemies. They have been active in carrying out production in accordance with the directive by the Central Committee of the women's association for each family to raise 2 hogs and 10 chickens. At present, 593,258 families have fulfilled or overfulfilled this plan. They have also planted subsidiary food crops and expanded several traditional forms of handicrafts in order to increase income for their families and production output for the society. The female cadres, personnel, and workers have also ceaselessly heightened their sense of responsibility in fulfilling tasks assigned them in the field of culture, education, health, and social affairs. They have joined in building a new progressive and fine culture and strived to get rid of illiteracy and improve the health level of the entire society. The fraternal women are also responsible for various other social work, particularly in raising the children.

The 76th anniversary of the international women's day this year coincides with the International Year of Peace 1986 set forth by the United Nations. As all other women in the world, the Cambodian women who have been victims of the Pol Pot genocidal regime appropriately desire to live together with their families in a country which is peaceful and with well-being and happiness. Presently, while it is true that our country is enjoying independence and freedom, our enemies have not abandoned their maneuvers and schemes to sabotage our country's rebirth and our revolution. However, our enemies are in a state of defeat and weakness while our people are awakening politically and pledging to fight for the defense of our revolutionary gains.

All maneuvers slandering our revolution and psychological warfare schemes of the Cambodian reactionaries of all stripes under whatever forms can never fool our people. This year, 1986, is the first year to implement the resolutions of the Fifth Party Congress. We have pledged to successfully implement our common strategic tasks in the current revolutionary stage and the three goals to our revolution, thus actively contributing to the movement for all mankind to live in peace which was launched by the Women's International Democratic Federation.

In this immediate period, all Cambodian women must pledge to advance, strengthen, and expand their state of mastery and contribute to building genuine revolutionary forces by striving to successfully fulfill the following tasks:

Jointly unite and resolutely strive to attack the Cambodian reactionary elements by not listening to the enemies' slanderous propaganda nor helping them in anyway, willingly encouraging husbands and children to join in the army and the national defense labor, preparing to wholeheartedly serve the combat, joining in the militia units, cooperating with the local authorities in smashing the enemies' networks, and persuading misled persons to return to the revolution, thus weakening the enemies to a greater extent. Strive to successfully carry out the dry season production drive and be well prepared to carry out the coming rainy season production in order to contribute to promoting the four aspects of economy--foodstuff, rubber, forestry, and fishery--with high output, thus ensuring sufficiency for our people's consumption and for our state's export plan. Strive to sell paddy to the state and timely give paddy to the state as national patriotic contribution. Be thrifty in production and consumption. Female workers must emulate in expanding their sense of mastery and creative ingenuity, strive to surmount shortages and difficulties, and improve the output and quality of their production. Strengthen the women's association by regularly holding group meetings, preserving its essence, and organizing courses for local female cadres in order to provide them with good revolutionary ethics and leadership capabilities and thus creating a women's movement to successfully fulfill the resolutions of the Fifth Party Congress. Enhance propaganda about the genuine spirit of patriotism, internationalist socialism, and especially the Cambodia-Vietnam militant alliance which is the decisive factor of the Cambodian revolution's death and life.

The work to stimulate and organize women is a revolutionary work of strategic significance. In our country, the number of women is more than half of the entire population. The women's association is responsible for the tasks of ensuring the [words indistinct] and quality of its activities aimed at educating, encouraging, mobilizing, organizing, and helping women in their daily life, production, and tasks. It is imperative for all sectors and mass organizations to cooperate with the women's association in raising our women's levels of culture, know-how, vocations, and their duties as mothers and wives. It is imperative for the party committees and local authorities to correctly implement the policies to educate and apply the women's labor forces, as well as the policies regarding the livelihood and health of women. All of this is the responsible task of all sectors, organizational units, and mass organizations in the entire society. It is not only a specific task of the women's association.

To welcome this year's international women's day, all fraternal Cambodian women throughout the country pledge to sharpen their will to fight and emulate in striving to surmount all obstacles and difficulties in order to contribute to the cause of defending and building the Cambodian fatherland and the cause of liberating women to another extent.

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CSO: 4212/63

HUN NENG ATTENDS KOMPONG CHAM PROVINCIAL MEETING

BK020946 Phnom Penh Domestic Service in Cambodian 0430 GMT 2 Mar 86

[Text] Kompong Cham Province recently held a second meeting to sum up achievements of state authorities, masses, and people for 1985 and set targets for 1986. The report of the meeting stressed the results scored by the province in defending the locality. The provincial forces killed 131 enemy soldiers, took 48 prisoners, and wounded 38. They achieved this in close cooperation with local state authorities, police, militia force, people, and the Vietnamese volunteer army. They have persuaded 270 misled persons to return to the revolution who brought with them 16 weapons and a notable quantity of war materiel.

In production, our compatriots planted more than 124,895 hectares of rice and more than 310,800 hectares of corn and beans with a total yield exceeding the plan. In animal husbandry, our compatriots raised more than 306,130 head of cattle. In forestry and fishing, our compatriots produced more than 7,130 cubic meters of timber and caught more than 4,570 metric tons of fish. Rubber was planted on more than 19,660 hectares with more than 56,746 liters of latex collected and more than 9,186 metric tons of rubber crepe produced. The trade, communications, education, and public health fields have also developed.

On this occasion, Comrade Hun Neng, alternate member of the Party Central Committee and secretary of the Kompong Cham provincial provisional party committee, praised the results scored by compatriots in the province through braving all kinds of difficulties with a patriotic spirit. The comrade called on the audience to strive to sharpen the will further to achieve 1986 targets for the party and the state.

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CSO: 4212/63

PEOPLE'S REPUBLIC OF KAMPUCHEA

ARMY PAPER CALLS FOR PARTICIPATION IN LOCAL TASKS

BK021358 Phnom Penh Domestic Service in Cambodian 1200 GMT 1 Mar 86

[19 February KANGTOAP PADEVOAT editorial: "The Whole Army Should Actively Take Part in the Two-Task Movement in Localities"]

[Text] Implementing the two-task movement in localities is a necessary and urgent task in the current phase of the Cambodian revolution. It is aimed at promoting the movement of masses to fight the enemies, safeguard social security and order, and build real forces in localities. This would provide a firm support for the people to advance toward becoming masters of their locality and in production.

In the past, the KPRAF has made an important contribution to the task of promoting mass movements and advancing the three revolutionary movements, namely building localities, fighting the enemies, and defending the people. It has expanded our people's victories in every field. Furthermore, our forces have cooperated with companies in districts in promoting and disseminating the political lines of the party and state in order to heighten the political awareness of the people and lead them to the point of unmasking the enemies and opposing every slander of the enemy psychological warfare.

Relying on the people and in control of the people and grasping their desire, our army has selected good persons loyal to the revolution and who love the people. They have uncovered every type of enemy hidden among the masses. Our army has cooperated with militiamen in fighting against armed enemy elements and contributed to building and defending every revolutionary organization and state authority of the people in localities. This has vigorously increased the strength of the revolution to serve as a firm support for the masses to strengthen their combined forces in smashing the enemies and becoming masters of their localities. Along with localities, our forces have vigorously advanced production and improved the people's living standards. The right to be masters of localities has been daily strengthened and stabilized thus ensuring complete safety in the localities.

Although in the past our army has implemented well these two tasks, if we take a general view, we see that a small number of units still do not have a clear understanding of their role and duties. They have not yet firmly built their forces and cannot be properly used. Their political and specialized knowledge is still weak. More importantly, cadres in these units still possess inadequate revolutionary character. Therefore, the results of their work do not respond to the goals set by the fifth meeting of party representatives concerning the task of firmly building localities.

To achieve the two tasks with greater results and to contribute to welcoming the 35th founding anniversary of our army, all armed units should heighten their spirit to implement well every aspect of the tasks to strengthen and increase their leadership. They should not rely completely on companies in districts to carry out these two tasks but should strive to understand and vigorously advance the task of promoting mass agitation work. The masses' three revolutionary movements should also be vigorously promoted. Every unit of the armed forces in the region should divide and share the responsibility of appropriately building the localities and set aside forces for fighting the enemies and for working with the people. Cadres and combatants should cooperate with local state authorities on plans to strengthen villages and communes.

First of all, they should agree on how to carry out the work with village and commune committees and every organizational institution. They should temper themselves, mould their character, and transform themselves into model examples and advance another step among the party ranks. They should adhere correctly to the good character and discipline of the revolutionary army. Cadres and combatants should strengthen their influence and win the people's confidence through concrete activities of words and deeds. They should preserve the revolutionary way of life. Only this way can they carry out well and effectively the task of promoting movements of the masses and building localities.

They should constantly link together localities, examine, analyze, and grasp local geographic situation and activities of the enemies, people and state authorities should clearly discern weak and strong points in the task in localities and the enemy maneuvers in the area. They should actively take part with the people in building trenches and be ready to fight and firmly defend villages and communes through building strategic fences and networks of strategic village and communes [words indistinct] of militiamen and use this as an important base. This includes improving marksmanship, lobbing grenades, planting punji stakes, defusing mines, planting mines, digging trenches, and using traditional weapons and techniques to fight and ambush the enemies from every side and cut off the enemy transport lines, and so on. Attention should be paid to disseminating the political lines of the party and state, raising the people's revolutionary awakened spirit to increase the people's confidence in the new regime, and constantly heightening the spirit of solidarity with friendly Vietnam. Furthermore, every aspect of the forces should be appropriately built and the participation of the masses' movements should be really expanded in fighting and winning back enemy soldiers in localities.

Production work should be vigorously promoted to improve the people's living standards in the area.

By achieving these two tasks, the whole army would enable localities to score brilliant victories in firmly building villages and communes. Enemy maneuvers would also be timely checked and smashed. Local forces would be expanded. They would be able to enjoy their right of being masters and appropriately respond to the need of being an army born from the people, through the people, and for the people.

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CSO: 4212/63

PEOPLE'S REPUBLIC OF KAMPUCHEA

PHNOM PENH REPORTS BATTLE SUCCESSES, CGDK RIFTS

BK271348 Phnom Penh Domestic Service in Cambodian 1200 GMT 27 Feb 86

[From the "Weekly Roundup of Salient Events" feature]

[Excerpt] According to a tally from various battlefields throughout the country, this month our revolutionary armed forces in cooperation with the Vietnamese army volunteers put out of action 1,154 enemies of all colors, or 112 more than in January. Of these we killed on the spot 587, wounded 126, captured 178, and persuaded 266 to return to the national society. We seized 359 assorted firearms, more than 2,000 rounds of assorted ammunition, 209 mines, and a quantity of Beijing-provided war materiel. In particular, at the border three enemy trucks transporting ammunition at the border were completely destroyed.

These results are praiseworthy achievements of our armed forces units that are in charge of a number of regions adjacent to the Cambodian-Thai border. These forces are more resolutely overcoming all difficulties in a spirit of proletarian struggle, more vigorously conducting activities in guarding against and ambushing all attempts by the bandit remnants and Sereika elements to rear their heads inside the country in addition to the enthusiastic participation of the workers engaged in national defense labor to seal off all passages used by the enemy. In the interior, the regional forces, authorities, militia, and inhabitants alike are powerfully accelerating the triple revolutionary movement with a high sense of revolutionary vigilance, guarding and defending villages and localities in response to the battlefield situation.

While our revolution is making success and growing steadily, the three groups of the coalition government are torn up by serious daily rifts and fightings. The Son Sann group has been split into two factions and its members are heading toward a fratricidal struggle. As for the Pol Pot group, it is also experiencing a serious split as many of its disillusioned units, many of them very close to Pol Pot, have surrendered to the KPRAF. In particular, Sihanouk, who is the figurehead president of the so-called coalition government, publicly complained not long ago that 38 of his men were killed by Pol Pot's forces. These developments have greatly worried Washington and a number of other countries that support the reactionary Cambodians. They are afraid that these rifts might become a point of no return for the coalition government, and will bring about the collapse of their efforts to create confrontation and maintain tension in Southeast Asia. Progressive public opinion loving justice and peace noted that the more material aid and dollars the imperialists and expansionists give the reactionaries, the more serious the internal differences among the reactionary ringleaders of the tripartite coalition government will become. This is one of the causes that push them toward inevitable and total defeat.

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CSO: 4212/63

REPORT ON AGRICULTURAL DEVELOPMENTS 24 FEBRUARY-2 MARCH

BK040918 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments during the reporting period 24 February-2 March:

Kampot Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 25 February reports that by the end of January, peasants in Kampot Province had sold more than 1,300 metric tons of rice and gave more than 1,100 metric tons as patriotic contributions to the state. Phnom Penh Domestic at 1300 GMT on 26 February states that peasants in Kampot Province have so far sowed more than 70 hectares of dry season rice and planted 800 hectares of corn, 270 hectares of potato, 440 hectares of vegetables, and 110 hectares of peanut and other industrial crops.

Kompong Chhnang Province: Phnom Penh Domestic Service in Cambodian at 1300 GMT on 25 February reveals that by 6 February, peasants in Kompong Chhnang Province had sowed more than 860 hectares of rice of the planned 1,260 hectares and transplanted another 2,030 hectares. Almost 3,300 hectares of subsidiary crops and more than 230 hectares of industrial crops had also been planted. Phnom Penh Domestic at 1300 GMT on 28 February reports that peasants in Kompong Chhnang town have sowed more than 900 hectares of dry season rice, transplanted more than 2,900 hectares out of the targeted 6,300 hectares, and planted nearly 320 out of 1,900 hectares of industrial crops and more than 3,600 hectares out of the more than 6,500 hectares earmarked for food crops.

Takeo Province: Phnom Penh Domestic Service in Cambodian at 1300 GMT on 25 February says that by the end of January, peasants in Bati District had sold more than 380 metric tons of pasy to the state and paid 175 metric tons in national patriotic contribution. According to a Phnom Penh Domestic report at 1300 GMT on 27 February, peasants in Samraong District had paid 280 metric tons of paddy in patriotic contribution by the end of January. Phnom Penh Domestic at 1300 GMT on 2 March notes that by early February, peasants in Prey Kabbas District had transplanted 2,000 hectares of dry season rice of the planned 5,200 hectares. A total of 880 metric tons of paddy had been sold to the state and more than 200 metric tons had been paid as patriotic contribution.

Kompong Speu Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 26 February reports that peasants in Samraong Tong District plan to grow 370 hectares of dry season rice. By the end of January, they had retilled 664 hectares of land and sowed or transplanted 330 hectares of rice or 90 percent of plan. According to the radio at 0430 GMT on 1 March, by mid-February, rice purchase centers in Kompong Speu Province received more than 2,900 metric tons of paddy as national patriotic contributions and bought more than 2,500 metric tons of paddy from peasants in the province.

Siem Reap-Oddar Meanchey Province: According to Phnom Penh Domestic Service in Cambodian at 0430 GMT on 27 February, by February, peasants in Puok District had put more than 900 hectares under dry season rice. By the end of January, they had sold to the state more than 100 metric tons of paddy and paid nearly 30 metric tons in patriotic contribution. Phnom Penh SPK in English at 1113 GMT on 28 February states that by mid-February, peasants in Puok District transplanted dry season rice on 720 hectares. Local peasants restored three canals, totaling 7,000 meters, to provide water for the field. The district veterinary service also vaccinated 1,430 cattle against various diseases. Phnom Penh Domestic at 1300 GMT on 28 February reports that by early February, peasants in Siem Reap-Oddar Meanchey Province had sold to the state more than 7,000 metric tons of paddy. Phnom Penh SPK in French at 0400 GMT on 27 February reports that by mid-January, peasants in Chong Kal District had harvested 3,500 hectares of rice with an average yield of one metric ton per hectare. In the same period, they had sold to the state 161 metric tons of paddy.

Kandal Province: Phnom Penh Domestic Service in Cambodian at 1300 GMT on 1 March states that peasants in Kandal Province, by mid-February, had transplanted more than 22,420 hectares of various types of rice, harvested almost 2,100 hectares of dry season rice with a yield of more than 25,300 metric tons, and planted more than 15,500 hectares of subsidiary crops. According to Phnom Penh Domestic at 1300 GMT on 27 February, peasants in S'ang District had by 12 February sowed 1,000 hectares of rice seeds and transplanted more than 2,600 hectares of dry season rice to fulfill the 5,600 hectares planned for dry season rice.

Prey Veng Province: Phnom Penh SPK in French at 0429 GMT on 26 February reports that by mid-January, peasants in Prey Veng Province had planted 12,294 hectares of rice and harvested 135,400 hectares of rainy season rice.

Kompong Cham Province: According to Phnom Penh SPK in French at 1203 GMT on 26 February, peasants in Kompong Cham Province had planted 124,895 hectares of rice last year with an average yield of more than one metric ton per hectare. They had also planted 7,100 hectares of corn and 24,700 hectares of beans.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

PRK-USSR COOPERATION--Phnom Penh, 1 Mar (SPK)--Under a PRK-USSR agreement in the cultural field signed in February 1980, the Soviet Union this year has set aside 10 grants for a circus group from Cambodia. The Soviet Information and Culture Ministry has also sent material and personnel to train another 35 acrobats. Under another agreement, the Soviet Union will build a hall with a capacity between 1,200 and 1,500 spectators. In the field of sports, Soviet trainers have assisted in the training of 51 volleyball coaches, 4 sports teams, 25 athletic coaches, another 40 sportsmen, and 102 wrestlers. Furthermore, grants have been set aside for two wrestlers and two weightlifters. Through this assistance, Cambodian sportsmen were able to compete in events in the USSR, Czechsolovakia, Hungary, and Vietnam in 1985. Between 1983 and 1985, the Soviet Union provided assistance in translating from Russian into Cambodian political and socio-scientific documents and published more than a million books. Millions of books in foreign languages and cinematographic equipment have also been donated to Cambodia. [Excerpts] [Phnom Penh SPK in French 0359 GMT 1 Mar 86 BK] /12858

HEALTH COOPERATION PROGRAM SIGNED--Phnom Penh, 3 Mar (SPK)--A program of cooperation in the health field for the 1986-90 period was signed between the PRK and the Polish People's Republic in Phnom Penh on 2 March. The signatories were Yit Kimseng, Cambodian minister of health, and Stanislaw Gura, Polish deputy minister of health, head of the polish delegation currently visiting Cambodia. Nut Savoeun and Chhea Thang, Cambodian deputy ministers of health; and Ludwik Klockowski, Polish ambassador to the PRK, were present at the signing ceremony. [Text] [Phnom Penh SPK in French 0456 GMT 3 Mar 86 BK] /12858

POLISH HEALTH DELEGATION VISITS--Phnom Penh, 1 Mar (SPK)--At the invitation of the PRK Health Ministry, a delegation from the Public Health Ministry of the Polish People's Republic led by its Deputy Minister Stanislaw Gura arrived in Phnom Penh on 27 February for an official visit to Cambodia. It was greeted on its arrival by Nut Savoeun, Cambodian deputy health minister, and Ludwik Klockowski, Polish ambassador to Cambodia. [Text] [Phnom Penh SPK in French 0405 GMT 1 Mar 86 BK] /12858

SPK REPORTS THAI 'VIOLATIONS'--Phnom Penh, 7 Mar (SPK)--In February, a total of 62 Thai aircraft operated over many areas between 5 and 10 km inside Cambodian territory in the provinces of Preah Vihear, Siem Reap, Battambang. At sea, 374 illegal entries were made by Thai vessels in sectors between 4 and 20 km from Kaoh Kong and Kaoh Tang islands. On land, hills 321 (northwest of Pailin), 814 (northwest of O Da), and 453 (southwest of Ta Sanh) were shelled 259 times by Thai artillery. Between 4 and 10 February and from 18 to 22 February in particular, Thailand fired between 800 and 1,000 shells daily on hills 453 and 814. During the same period, many groups of Pol Potists and other Cambodian reactionaries infiltrated from Thailand to carry out sabotage activities in Cambodia. Local border guards and people put 960 of them out of action; they also seized 321 rifles and a notable quantity of other war materiel. [Text] [Phnom Penh SPK in French 0355 GMT 7 Mar 86 BK] /12858

HENG SAMKAI ADDRESSES MEETING--A ceremony was held recently at the Svay Rieng provincial political school to close a course training cadres from various units and departments throughout the province. Comrade Heng Samkai, member of the KPRP Central Committee and secretary of the provisional party committee of Svay Rieng Province, highly appreciated the outcome of the course. He also stressed the great successes won by the Cambodian revolution over the past 7 years, successes closely linked with the vigorous participation of the women. He also urged the women to strive to carry out all immediate tasks and to encourage and exhort our people to uphold patriotism, make clear distinctions between friend and foe, and actively participate in the triple revolutionary movement. He also urged them to use their acquired knowledge once they have returned home and to transform it into concrete combat activities in order to advance toward more and bigger successes, thus contributing to national defense and reconstruction. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Feb 86 BK] /12858

CHAN PHIN ATTENDS CEREMONY--The second training course for junior instructors on purchase, sale, and store was closed at a ceremony held at the commercial college on 1 March in the presence of Comrade Chan Phin, member of the KPRP Central Committee and minister of home and foreign trade. The report summing up the course stressed that the commercial college trained and supplemented the education of 65 junior accounting instructors during the first course. During this second course, the college turned out 92 other junior instructors from various provinces throughout the country in three specialities: purchasing, sales, and maintaining stocks. Afterwards, Comrade Chan Phin urged all graduates to use their knowledge and concentrate their attention, once back home, on training local trading cadres, personnel, and workers to make them clearly understand purchasing, salesmanship, and maintaining stocks and to know how to take care of and transport goods. They must also explain to them the need to be loyal to the revolution, the nation, and the people, for this is a collective service by a concrete profession that conforms to the aspirations of our party, state, and people. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 4 Mar 86 BK] /12858

THAI BORDER BATTALION ACTIVITIES--During the first week of February, combatants of battalion no 4, in close cooperation with the Vietnamese army volunteer, launched a sweep operation against the enemy on hill 859 northwest of O Da. The two prongs of our comrades-in-arms charged into the enemy's hideout. After a short battle, 21 enemy were killed on the spot, while the survivors fled into Thai territory. We seized 9 weapons, including a DK gun, and (?9,000) rounds of AK ammunition. In Veun Sai District of Ratanakiri Province, two groups of our armed forces and our Vietnamese friends launched a sweep operation against the enemy around [name indistinct] and an enemy hideout from 28 January to 3 February. They put out of action (?61) enemy and seized 15 weapons and a large quantity of war materiel. [Text] [Phnom Penh Domestic Service in Cambodian 1200 GMT 4 Mar 86 BK] /12858

CHAN PHIN OPENS TRAINING COURSE--A ceremony was held at the Economic Institute of the Education Ministry on 3 March to open a special higher-level training course for 150 trainees. The ceremony was presided over by Comrade Chan Phin, member of the Party Central Committee and minister of internal and external trade. According to the report presented by Comrade (Li Phoeng), deputy director of the institute, this special higher-level training course which will last for 3 years is aimed at giving training on four specialized subjects, that is commerce, finance, banking, and economic planning. This course is organized with the cooperation and assistance of the SRV's Ministry of Higher and Vocational Education and particularly the Hanoi Institute of Economy which has sent five professors to teach in our country. Speaking on the occasion, Comrade Pen Navouth, alternate member of the party central committee and minister of education, exhorted all trainees to study hard, temper themselves well, and understand that theory and knowhow are essential factors for advance toward building socialism in accordance with Marxism and Leninism which is the current goal of our country. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 5 Mar 86 BK] /12858

CSO: 4212/63

INTERNATIONAL RELATIONS, TRADE, AND AID

AUTHORITIES ISSUE REPORT DEFENDING BAI BANG WORKING CONDITIONS

Government Promises Improvement

Stockholm DAGENS NYHETER in Swedish 13 Feb 86 p 16

[Article by Peter Bratt]

[Text] Recruitment of forest workers for the Bai Bang project is voluntary. One-third of the work force is employed under contract for a specific time. Wages have more than doubled over the past year.

That is what Vietnamese authorities have told SIDA [Swedish International Development Authority]. SIDA says that the decision as to whether those statements are true and whether enough has been done to justify further payment of Swedish aid will be made by 9 April at the latest.

A consultant's report in January of last year, prepared at SIDA's request, revealed that forest workers employed in producing forest raw materials for the paper mill in Bai Bang, Vietnam were living in miserable conditions.

The report covered between 17,000 and 20,000 people, mostly women, who had been forcibly recruited to work in the forests, where they had to spend their entire lives felling timber. Their pay was so bad that a great part of the day was spent growing rice and raising pigs just to survive. They were living in hovels with minimum rice rations and no possibility of seeing their families.

The report created a sensation in Sweden. The idea that the largest Swedish aid project in history--it has cost 2 billion kronor to date--should have the side effect of forcing so many people to live under what could be called slavelike conditions was considered unacceptable.

Both the then Minister of Foreign Affairs Bodstrom and SIDA's new head, Carl Tham, said that if the coercion did not cease, no further subsidies from Sweden would be paid.

The Vietnamese were given until 31 January of this year to come up with a report on the promised improvements.

The intention was that a new 5-year agreement would be signed covering the paper mill, but that only a 1-year agreement would be signed for the forestry portion of the project, the purpose being to put pressure on the Vietnamese to actually make the improvements.

The new agreement was supposed to be signed on 31 May 1985. SIDA was assuming that a 1-year forestry agreement would be signed, and according to Christina Rehlen, who was handling the matter for SIDA, no protests had been received from the Vietnamese. But on 22 May, an order suddenly arrived from the Ministry of Foreign Affairs in Stockholm to sign a 5-year forestry agreement.

It was done, with the result that Sweden's subsequent negotiating position with Vietnam was weakened. But there remained the demand from Sweden that substantial improvements be made on behalf of the forest workers, otherwise no more money would be paid out after 1 July 1986.

That arrangement also provided that the formal decision on further aid would be made by the government rather than by SIDA, as would otherwise have been the normal procedure.

The Vietnamese report has now been submitted to SIDA. It says that wages have been increased from 180 to 460 dong. At today's prices, that would allow the workers to buy enough rice to survive. Experienced observers contacted by DAGENS NYHETER doubt that this is possible in practice. The regime has not lived up to its commitments concerning wage payments in the past.

Bo Goransson, deputy chief of SIDA, has told DAGENS NYHETER that it is helpful to have the Vietnamese put their commitment on paper. SIDA has two inspectors on the spot to see what happens in practice.

"They claim that the work is voluntary. But the dividing line between coercion, threats, and persuasion is vague. I have not yet decided what SIDA will propose to the government concerning further aid. That will be done no later than 9 April."

In an appended report from the Swedish aid office in Hanoi, it is noted in general that Vietnam has a social system which is striving toward communism and in which "the individual's right of self-determination has been set aside in the interests of the collective society."

The report says that Vietnam is in a very difficult economic situation with an exploding rate of population growth.

According to the report, the Ministry of Labor admits that relocation methods have been too callous and says that from now on, entire families will be relocated rather than isolated individuals, as was the case previously.

The Vietnamese report says that major improvements for forest workers in the Swedish paper industry project have been made. In addition to wage increases, 2 million Swedish kronor worth of clothing, mosquito nets, radios, and shoes have supposedly been bought.

The question is what practical means SIDA will have for determining by 9 April whether the promises in the report correspond to reality.

Swedish Aid Official Comments

Stockholm DAGENS NYHETER in Swedish 11 Feb 86 p 5

[Op Ed article by Bo Goransson, deputy chief of SIDA; first paragraph is DAGENS NYHETER introduction]

[Text] Is there a limit to what we consider acceptable conditions for Vietnamese forest workers? Or is there a danger that we will create isolated "Swedish islands" by stepping outside Vietnam's normal regulations and laws? Those questions are asked by Bo Goransson, department head and deputy chief at SIDA, against the background of a Vietnamese report on improvements for forest workers at the Swedish Bai Bang project.

A year ago, in February 1985, there was intense debate in Sweden concerning conditions for the nearly 20,000 Vietnamese employed in felling trees for the Bai Bang mill. A report commissioned by SIDA had drawn attention to several problems, among them wretched housing, unpaid wages, and inadequate health care. The personnel had been sent there in many instances from distant villages, vacations were short, and employees had little possibility of visiting their families or quitting their jobs.

After the startup of the Bai Bang mill at the end of 1982, it became obvious that one reason for inadequate deliveries of wood was the low productivity of the forest workers. SIDA therefore commissioned a study of the situation of those forest workers.

The conditions spotlighted by that report were criticized by then Minister of Foreign Affairs Lennart Bodstrom during his visit to Vietnam in January 1985, and they influenced the agreements signed between Sweden and Vietnam in May.

The final agreement on the project runs for 5 years and is expected to cost 380 million kronor. But in that agreement, the Swedish Government has promised money for the forestry portion of the project only during the first year. The decision on money for forest activity during the following years will depend partly on improvements for the employees and partly on a new and clear organization of forest operations.

Vietnam is poor--very poor. That creates problems, common to many developing countries, with respect to social services, the prospects for realistically creating or offering a possibility of individual choice, and so on. Vietnam was at war for a long time. Moreover, Vietnam's social system and tradition are such that the focus is on usefulness to the state rather than individual rights.

It is obvious that individuals have far less freedom than they do, for example, in Sweden. That circumstance is the result both of material shortages and of the social system.

Vietnam has about 60 million inhabitants, and population density is high in certain fertile parts of the country. Those areas have between 500 and 1,000 inhabitants per square kilometer. The land is unequally distributed between north and south. Since the end of the war in 1975, a deliberate effort has been made to move people from the north to the south and from the densely populated deltas to the highlands.

Sometimes harsh relocation methods have been used. This is acknowledged by the Vietnamese. They say they are now endeavoring to move families instead of individuals and to give them a long probationary period. If 75 percent stay, the effort is considered a success. Economic incentives (higher wages and allowances) are becoming more common. Economic sanctions against those who do not want to relocate are also used--meaning primarily that they are forced to pay back any loans quickly.

In one respect, that policy has produced results: only 20 percent of the population lives in cities, and Vietnam does not have the same rapid migration to the cities that other developing countries are experiencing. Also part of the picture--and two more reasons--are rapid population growth and industry's limited capacity to absorb manpower, which is growing at the rate of 1 million per year. Another consequence is that more and more people are working in the cooperative or private--that is, not the state-run--agricultural sector.

According to the Vietnamese Constitution, work is a right as well as a duty. The state is responsible for making work available, so the individual has the right to work. The state requires that the individual work according to the state's instructions, so the individual has the duty to work. Officially, therefore, there is no unemployment, but there are "jobseekers."

The law also stipulates that employees have the right to rest, to take vacations (the length of which depends on how stressful the work is), to receive sickness benefits, education, health care, and housing and to enjoy equality between the sexes.

Ninety percent of the women in Vietnam work outside the home, mainly in agriculture, light industry, health care, and education. Many women are engaged in remarkably heavy work. A number of regulations are aimed at protecting women's health. For example, women are not to engage in heavy work when they are pregnant, are to receive 6 months of pregnancy leave, and are to be given time off to nurse their infants.

Naturally, such statements often do not correspond to reality in Vietnam. There are shortcomings in health care, underemployment is widespread, and women are often engaged in very heavy work.

Recruitment methods vary within the state and cooperative sectors. A person applies for membership in an agricultural or industrial cooperative.

To recruit people for the state sector, the enterprise (or equivalent entity) needing workers is assigned a district or province, based on considerations of population policy, and that is where it is supposed to do its recruiting. An exception is made in the case of positions in the central government or jobs requiring the competence of an expert or lengthy training.

In some cases, recruitment takes the form of short-term contracts, but 1-year and 3-year work contracts also exist. The most common form of contract does not have any particular time limit.

Those who apply for jobs are considered first. If not enough people apply and the new job position is in an area to which the state says people should relocate (for security reasons, to cultivate new land, or other reasons), an attempt is made to persuade them. A person who turns down two or three job offers forfeits his chance for another job with the state. Someone who accepts probably has little chance of changing jobs. Only certain reasons are accepted--for example, if one is needed on the family farm, has sick relatives, and so on.

It is hard to judge how subtle or extensive the element of coercion is. As a result of tradition and family pressure, it is often the women who relocate, while the sons stay where they are. The fact that most of those employed in the forest are women is also a result of the large surplus of women in the country.

Vietnam promised to provide SIDA with a report by 31 January 1986 on the steps taken to improve conditions for those employees. The Vietnamese report will become generally available for the first time today. It explains the steps taken by the Vietnamese in the short term to improve conditions for the forest workers. It points out that recruitment is on a voluntary basis. The report emphasizes the desire to recruit families to an ever-increasing extent in the future. New terms of employment are to be tried out. Attention is also drawn to the country's poverty as a reason for the difficult conditions in the forest.

Vietnam recently changed its economic policy with a vigor and degree of concentration reminding one of its hereditary foe, China. One chief purpose was to introduce more incentive and a greater possibility of choice for its inhabitants. The currency--the dong--was devalued by 90 percent. The wage and price policies were drastically revised. The previous system, with its basic wage, subsidized food coupons, and regulated prices, was replaced by a money wage based on piece work and flexible, market-adjusted prices. The transportation and distribution apparatus had to adapt to a market situation and begin sending goods to wherever demand existed rather than to destinations dictated by the plan.

Naturally, there is a connection between material conditions and the desire to relocate, stay where one is, or work with a will--in Vietnam as in Sweden. Poor working conditions in Vietnam have attracted a great deal of attention in the past in connection with the Bai Bang mill. As early as the late 1970's, when the mill was completed and began operations, it was obvious that poor working conditions were a major reason for the low productivity. Those conditions were gradually improved, partly by the distribution of extra food, higher bonuses, and better health care. The results were not long in coming.

The production goal for 1985--22,000 tons--was even exceeded by a small amount. Today the Bai Bang mill is an attractive workplace. Is it possible to achieve something similar in the forest?

In its Bai Bang budget, SIDA has earmarked 3 million kronor for specific improvements in conditions for the forest workers. In addition, a Swede has been in Vietnam since December. He will work there full time for 1 year to expedite the work of making various kinds of improvements for the employees and to follow up on the decisions reached.

However, conditions in the forest differ from those in the mill in several ways.

The number of workers totals about 20,000--10 time as many as in the mill. They live and work spread out over a large area. Providing housing, water, health care, and communications is more difficult or at least more expensive.

Working and employment conditions for the Vietnamese forest workers raise questions of various kinds: humanitarian, political, social, and economic.

Is there a limit to what we consider acceptable conditions? If that minimum limit is not met, what do we do then? How can we exert the most effective influence in both the short and the long term?

Is there a danger that we will create isolated "Swedish islands" by stepping outside Vietnam's normal regulations and laws? Is there any point at which influence by a foreign state becomes inappropriate?

Could a long-term process of change also include activity by the Swedish union movement to cooperate with and build up more independent sister union organizations in Vietnam? So as to have an influence from within and from below? Is there an interest in doing so?

11798
CSO: 3650/174

BRIEFS

MEETING MARKS CPSU CONGRESS--The Hoa Binh City People's Committee and the City Chapter of the SRV-USSR Friendship Association, Ha Son Binh Province, held a joint meetings to greet the 27th CPSU Congress. A large number Vietnamese and Soviet workers building the Hoa Binh hydroelectric power project attended the meeting. These workers have stepped up many emulation activities aimed at completing the building of Generator Group No 1 and putting it into operation by late 1987. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 27 Feb 86 BK] /8918

LAO ROAD BUILT WITH SRV ASSISTANCE--Under a plan to build Road No 9 in Savannakhet Province, an important road of Laos leading to the Eastern Sea through Vietnam, Lao and Vietnamese construction units have thus far built nearly 200 km of road from the Keng Kabao Port on the Mekong River to Se Banghiang. Vietnamese Engineering Group No 84 is taking part in the construction of this road. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 27 Feb 86 BK] /8918

CSO: 4209/368

PARTY ACTIVITIES AND GOVERNMENT

YOUTHS URGED TO SUPPORT BORDER TROOPS

Hanoi NHAN DAN in Vietnamese 22 Dec 85 pp 1, 4

[Article by Thanh Trung: "Movement of Youths Supporting Advanced Posts of the Fatherland"]

[Text] In the past more 3 years, the Movement of Youths Supporting Advanced Posts of the Fatherland has achieved unequivocal results in educating the young generation about the need to defend the fatherland, raise national defense awareness and show gratitude to frontline combatants and in speeding up assistance to advanced posts and to youth union organizations along our northern border.

Provincial and municipal youth union organizations have launched a campaign of revolutionary action, accelerating production, economic and national defense building and strengthening border defense. Tens of thousands of youth projects, jobs and classrooms named after the movement of youths supporting advanced posts have attained high output, quality, and efficiency.

Bags of warm clothing, big plastic containers, transistor radios, books, newspapers, physical education and sports equipment, and household utensils including pots, pans, bowls, plates, towels, handkerchiefs, etc., have been sent by youths from many places to our advanced post combatants and youth union installations in border areas. Children and students have sent hundreds of thousands of letters, stamps, and envelopes to border troops.

Youths in Hanoi, the capital city, have assisted Cao Bang Province in building a small hydroelectric power station and have sent groups of medical and polytechnic students and political singers to Lang Son and Cao Bang to visit and entertain combatants and local compatriots and youths. The Hanoi Municipal Youth Union has also helped its Ha Tuyen counterpart hold training courses for leading provincial cadres in charge of ethnic children.

Ho Chi Minh City youths have deposited hundreds of thousands of dong earned from 650 projects into a bank account in support of advanced post combatants and have sent young political song groups right to the border of Ha Tuyen and Lang Son to entertain troops. At the same time, the

Ho Chi Minh Municipal Youth Union has organized gift-distribution visits to combatants fulfilling international obligations in Kampuchea. Similar activities were carried out by youths in the southern provinces of Long An, Song Be, Tay Ninh, Phu Khanh, Quang Nam-Da Nang and Gia Lai-Kontum. Recently, provincial and municipal union secretaries from Hanoi, Ha Bac, Minh Hai, Tay Ninh and Dac Lac visited advanced posts and union district organizations in the Lang Son Border areas and subsequently discussed plans for assigning help to a district in which advanced posts and frontier guard units were located. On that occasion, young representatives of the Ca Mau frozen shrimp enterprise presented combatants of border post X (Lang Son) with gifts and household utensils.

Youths in mountain villages and union district organizations in areas south of six border provinces have launched a very enthusiastic and appreciable movement to support advanced posts by initiating emulative brotherhood ties with and sending assistance to the frontline. More than 6,000 youths in the rear province of Quang Ninh zealously took part in road building, completing their projects ahead of schedule and in line with high quality requirements--a process having salutary effects on youth training. More than 5,000 youths briskly left the rear districts of Hoang Lien Son Province for the border region, where they overfulfilled norms on building a communication road in support of national defense and the economy. Thousands of ethnic youths in rear districts enthusiastically went to Vi Xuyen and Yen Minh districts to build border fortifications in support of combat.

The Haiphong Municipal Youth Union has sent thousands of youths from both sexes to the border districts of Quang Ninh to do productive labor and has sent gifts to advanced posts. The Bac Thai Provincial Youth Union has singled out its district organizations for emulative brotherhood relationships with their counterparts in Cao Bang Province. During the first stage of that campaign, the Dong Hy district union organization sent truckloads of tables, chairs, beds, and cupboards to the Ha Quang District union organization following a Chinese attack in which all houses were burned and destroyed.

9213/9190
CSO: 4209/289

AGRICULTURE

HAIPHONG RECLAIMS LAND ADJACENT TO SEA

Hanoi NHAN DAN in Vietnamese 21 Dec 85 p 1

[Article: "Haiphong: Nearly 5,000 persons Go to Newly Reclaimed Lands Adjacent to Sea--Redistribution of Labor Within the City"]

[Text] With the assistance of the Ministry of Labor, the labor sector of Haiphong City has conducted a survey to reappraise its labor force in the entire city, especially in the agricultural field. Relying on production development plans of seven suburban districts and working together with the latter, the labor sector has redistributed manpower according to plans, sending out laborers to effectively exploit nearly 10,000 hectares of newly reclaimed land adjacent to sea.

In addition to implementing party and state procedures and policies toward people engaged in land reclamation, many agricultural cooperatives in Thuy Nguyen, Do Son and Tien Lang districts, guided by the motto of "the state, collectives and people working together," have effectively carried out several measures aimed at redistributing labor within the framework of economic development planning, first of all, expanding sectors and crafts in cooperatives with labor diverted from farming. In sending people to new economic zones, the cooperatives took part in building-material and technical bases to serve production, cultural and social needs, and housing facilities for new arriving families. Their responsibilities would end only when production in the new economic zones had truly become stable. Districts and cooperatives have allowed families to assign manpower, retaining the elderly at existing cooperatives and sending young and strong laborers to new economic zones. Do Son and Tien Lang CPV district committee echelons have also appointed competent cadres and party members to positions of leadership in new economic zones. Many cooperatives in Thuy Nguyen have shared some of their material and technical bases and production tools with new economic zones. Due to these efforts, in 1985 suburban Haiphong districts were able to send 1,235 families of nearly 5,000 persons, including 2,633 laborers, to new economic zones in Gia Minh (Thuy Nguyen), Route 14 (Do Son) and Vinh Quang (Tien Lang). In addition to redistributing labor within the city, the labor sector has also created favorable conditions for 30 families of 153 persons, including 72 laborers, to voluntarily depart for other provinces to open up new land.

9213/9190
CSO: 4209/289

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

POWER PLANT PROJECT--To greet the 27th CPSU Congress, thousands of Vietnamese workers and Soviet experts at the Tri An Hydroelectric power plant project site--a project built with Soviet assistance--have emulated in completing many portions of the project, including the building of a dam. Mechanized Engineering Unit No 25 is pouring concrete to build the foundation for the dam while Water Conservancy Engineering United Enterprise No 4 is supplying stone for the construction. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 27 Feb 86 BK] /8918

CEMENT FACTORY OUTPUT RECORD--The Ha Tien cement combine has produced 230,000 tons of cement of various kinds as required by plan and will, from now to the end of the year, turn out an additional 10,000 tons and prepare adequate conditions for implementing the first quarter of the 1985 plan. Compared with figures from 1981 through 1984, the 1985 output was the highest ever. Total cement production was delivered to the state in excess of plan. The factory has overcome difficulties by reorganizing production, strengthening supply and technical management and striving to make the most of the three following resources--expanding association with 70 friendly units; purchasing part of supplies, spare parts, and means necessary for production; and building one new 280-ton barge with steel-reinforced cement hull, two steelhulled barges to transport oil and two 280-ton tub boats. The factory has relied on its own workers to repair and rehabilitate all power-operated shovels, repair and adjust several stone-carrying trucks, transform and bring to perfection the Kien Luong stone-exploitation zone and rehabilitate Derrick No 2 in Thu Duc. It has regularly and strictly inspected various stages of production and ensured quality of each batch of cement in line with technical standards. Especially this year, the factory has successfully turned out a brand of cement with less heat-radiating power for supply to the Tri An hydroelectric power station project. The state council of quality management has conferred the quality seal of Category 1 to the P-300 Ha Tien cement combine. [Text] [Hanoi NAHAN DAN in Vietnamese 23 Dec 85 p 1] 9213/9190

CSO: 4209/289

LABOR

PRODUCTIVE LABOR IN SCHOOLS ENCOURAGED

Hanoi NHAN DAN in Vietnamese 22 Dec 85 p 1

[Article: "Encourage Schools To Organize Productive Labor--Pay No Tax; Can Use Income From Labor, Including Foreign Currency; Assistance From Sectors, Echelons Mandatory"]

[Text] The chairman of the Council of Ministers has just issued a decision encouraging schools to accelerate productive labor. The decision points out that teacher and student productive labor must become a core curriculum, which an appropriate percentage of time must be set aside for and which must be effective, since--in addition to educating people about becoming new men--it is a measure designed to generate capital for maintaining and developing education.

Income arising from productive labor will be exempt from tax, including agricultural tax.

Schools are authorized to use that income, minus production costs, to repair, build or equip their classrooms and improve teacher and student living standards.

Educational sectors--general schools, trade schools, colleges and vocational middle schools--are authorized to use foreign currency earned from export of goods made by productive labor in schools to import equipment and technical supplies to support teaching. These products are to be exported by foreign trade organizations at the request of educational sectors.

Production sectors--agriculture, forestry, fishery, industry, handicrafts, etc.--and people's committees at various levels are bound to encourage schools and help them effectively speed up productive labor and rationally use its achievements.

The youth union, women's union, trade unions, and collective peasant associations should stimulate the people and mass organizations at the basic level to coordinate with schools to foster teacher and student dynamism and creativeness in productive labor.

9213/9190
CSO: 4209/289

END

JPRS-SEA-86-055

28 MARCH 1986

Southeast Asia Report

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JPRS-SEA-86-055

28 March 1986

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BRIEFS

PROTOCOLS ON PROTECTION OF WAR VICTIMS--Australia is to ratify the Geneva protocols on the protection of war victims. The protocols supplement the 1949 Geneva Conventions on the protection of war victims which deal with the treatment of the sick and wounded prisoners of war and civilians in time of war. The protocols extend the conventions to noninternational conflict and deal in greater detail with civil defense. In particular, the protocols prohibit indiscriminate attack on civilians and civilian targets. The acting minister for foreign affairs, Senator Evans, said in Canberra that Australia had been party to the Geneva Conventions since 1958 and had signed the protocols in 1978. He said the ratification of the protocols covering war victims would be arranged as soon as possible. [Text] [Melbourne Overseas Service in English 0130 GMT 11 Mar 86 BK] /6662

UNEMPLOYMENT RATE UP--Canberra, March 13 (AFP)--Australia's unemployment rate rose to eight percent last month with 600,000 people out of work, the government statistician reported Thursday. The 0.3 percent rise took the unemployment rate to the highest since last September's 8.1 percent, though it is still an improvement of the 8.4 percent figure for the corresponding month last year. Employment and Industrial Relations Minister Ralph Willis said earlier this month that he expected employment growth to continue in 1986 even though economic growth was slowing down. [Text] [Hong Kong AFP in English 0444 GMT 13 Mar 86 HK] /6662

CSO: 4200/807

BRIEFS

MILITARY ACTIVITY IN MONG YANG, KAYAH STATE--Combat news: On 30 January 1986, People's Army units repulsed an attack by the military government's mercenary 2d Rifles Regiment and 5th Infantry Regiment in (Mong Gwe) region east of Mong Yang. During the attack, four enemy soldiers were killed and four, including a mercenary captain, were wounded. Another person was captured. Three C-4's, 1 hand grenade, 2 explosives, 5 Da-80 [as heard] bombs, nearly 140 rounds of assorted ammunition, and some military equipment were captured. Furthermore, an enemy submachinegun was destroyed. Combat news of the combined unit of the People's Army and the Kayah New Land Revolutionary Council [KNLRC]: On 8 January 1986, a combined unit of the People's Army and the KNLRC ambushed the military government's 19th Light Infantry Regiment near (Thayu) village on (Yalu) road in Kayah State. During the ambush, four enemy soldiers were killed; there were wounded; and two G-2's, one M-79 collapsible mortar, three hand grenades, and some military equipment were seized from the enemy. Two other guerrilla attacks by the combined units killed two more enemy soldiers. [Text] [(Clandestine) Voice of the People of Burma in Burmese 1230 GMT 15 Mar 86 BK] /6662

CSO: 4211/37

INDONESIA

BRIEFS

SATELLITE COMMUNICATIONS SYSTEM--Minister of Tourism, Posts, and Telecommunications Akhmad Tahir says that the Palapa B-1 communication satellite is still actively functioning. Commenting on the 12-month postponement of the scheduled launching of the space shuttle "Columbia," which will launch the Palapa B-2P satellite will be used as a backup. He also stressed that the postponement of the space shuttle flight will not affect Indonesia's communications system, but a modification of antennae in the ground stations is needed if we want to use the Palapa A-2 as a backup because the Palapa B-1 is orbitting above Kalimantan, whereas the Palapa A-2 is orbitting above Colombo, Sri Lanka. Asked about the possibility of renting an Intelsat satellite, Minister Tahir said that the government will have to spend more money if it decides to do so. Besides, there is also a technical problem in that larger parabolic antennae are required. However, the government is still considering the issue. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 5 Mar 86 BK] /8918

GOVERNOR WELCOMES RETURNING BORDER CROSSERS--The PNG Government has repatriated 213 Irian Jayan border crossers who entered its territory some time ago. The repatriation, the sixth of its kind, was carried out by the "Perintis Dharma Nusantara", a ship belonging to the state shipping company. Irian Jayan Governor Isaac Hindom welcomed the border crossers at Jayapura port and told them that those who called themselves members of the Free Papua Movement are liars. They instigate local people to flee to the PNG and spread rumors that returning border crossers will be killed. The governor also stressed that Indonesia is a country based on laws and ethics. [Text] [Jakarta Domestic Service in Indonesian 0700 GMT 12 Mar 86 BK] /6662

CSO: 4213/113

MALAYSIA

PAPERS COMMENT ON MCA-GERAKAN MERGER

MCA, Gerakan Considering Merger

Selangor KIN KWOK DAILY NEWS in Chinese 4 Jan 86 p 2

[Commentary]

[Text] The new president of the Malaysian Chinese Association [MCA], Tan Koon Swan, JP, has announced the possibility of his party merging with the Malaysian People's Movement [GERAKAN]. At the same time, he said he would implement the cooperation agreement signed recently between the GERAKAN and former leadership of the MCA as a long-term program.

Both the MCA and GERAKAN are members of the National Front, and it is not surprising for them to bring up the question of cooperation or merger. This was as expected, especially for the MCA which has formed a new leadership after a protracted period of infighting.

The new MCA leadership must explain its standpoint not long after its investiture. It is a kind of natural phenomenon for the new leader, Tan Koon Swan, to express the leadership's stand toward the GERAKAN, and not a breakthrough action.

Whether the MCA and GERAKAN will merge or cooperate with each other has always been an issue of great concern for the Chinese community. We believe that the majority of the Chinese community agree to the cooperation of the two parties, because this move will consolidate the Chinese strength in the political field.

For a long time now, we have always felt that Chinese political strength is on the decline. We keep hoping that one day the GERAKAN will act as one body and make contributions in the fields of politics, the economy, and education; not only that, we also hope that the party can make contributions to the entire Malaysian people.

It is clear that in the western Malaysian region, the political force of the Chinese is divided among the MCA, the GERAKAN and the Democratic Action Party [DAP]. The MCA and GERAKAN are member parties of the National Front, while the DAP stands on the opposition side.

For many years in the past, in handling Chinese problems, these three political parties held divergent views, and sometimes were antagonistic and hostile with one another.

In particular, the confrontation posed by the opposition parties during a general election period is blatant, resorting to many ways and means to get the votes of the Chinese electorate. The result is that the voters are at a loss who they should cast their votes for, causing a serious dissipation of votes.

Although there is no animosity between the MCA and the GERAKAN in a general election, yet they often hold differing views on Chinese problems and issue conflicting statements. Thier inability to take a unified stand in dealing with Chinese problems naturally works to the disadvantage of the Chinese community as a whole.

Organizationally speaking, the MCA, GERAKAN and DAP differ from one another, but in struggling for the rights and interests of the Chinese people, they should jointly adopt a correct stand and attitude. This shouldn't be too difficult to accomplish.

In the past, the MCA and the GERAKAN already signed an agreement for mutual cooperation aimed at strengthening their mutual trust and at dealing with future challenges in order to regain the confidence of the Malyasian Chinese.

Tan Koon Swan has agreed that this cooperation agreement be implemented. We hope that the GERAKAN will give a response within a short period to realize their ultimate objectives.

Although the GERAKAN is a multiracial political party, while the MCA is a monoracial one, we believe that if both parties are willing to make sacrifices, the possibility of a merger can be realized.

Meaning of MCA-Gerakan Cooperation

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 4 Jan 86 p 23

[Editorial]

[Text] MCA President Tan Koon Swan indicated that the MCA has decided to cooperate with the GERAKAN in order to regain the confidence of Chinese society. He added that as a long-range planning, the MCA is also prepared to merge with the GERAKAN.

He said: "The expectations of the Chinese toward reality have been shattered. Therefore, the MCA and GERAKAN must make a concerted effort to undertake some major and positive changes, otherwise the Chinese simply will fall victim to empty political slogans. MCA's urgent task for the moment is to revive public trust and confidence."

In the history of our political development, there have been many records concerning cooperation betweeh the MCA and the GERAKAN; it is by no means a new issue. In fact, early last April, the former MCA leadership and the incumbent GERAKAN leadership already signed a formal agreement for the formation of an MCA-GERAKAN Joint Council and the promotion of members' interchanges, as well as the establishment for a harmonious political relationship.

Judging by past cooperations between the two parties, their motivation was narrowly based on poli ical benefit, mainly to defeat the opposition parties but not for the long-term benefit of the country and people. Therefore, the past collaboration showed a good superficial beginning, but it collapsed eventually due to the fact that each party tried to cheat or outwit the other. Due to the organizational divergence between the two parties, their targets of service and long-range objectives are basically different and sometimes contradictory. The quality of their relationship fluctuated with the prevailing situation--sometimes good, othertimes bad.

As long as their relationship for basic cooperation cannot be perfected, it simply is unrealistic, empty talk to discuss about a merger of both parties. Tan Koon Swan's remark that merger is a long-range planning means exactly that, and nothing more.

Subjectively speaking, both the MCA and the GERAKAN are still faced with difficulties galore, especially the former which is still battle-scarred, disunited and its top leader involved in the collapse of the Pan-Electric Industries. It is really difficult for the general public to pin their hopes on the capability of the leadership of both parties in fighting for the rights and interests of the ethnic Chinese people.

However, we agree that under the present circumstances, both the MDA and the GERAKAN must jointly make an effort to institute several major and positive changes to regain public confidence and avoid having the Chinese become mere prey to hollow political slogans. In the past few decades, many of ethnic-Chinese interests and rights have been lost because leaders of ethnic-Chinese and ethnic-Chinese-based political leaders have failed miserably in fighting for Chinese rights and interests.

If leaders of both parties profess to have national conscience and the sincerity for cooperation, they must do their utmost to strengthen and consolidate the two parties' political strength, enhance their political status within the National Front, constantly urge themselves on, and firmly hold the interests of the country and people above personal and party profit. Only such changes and cooperation hold any meaning at all.

We hope that the cooperation to be implemented henceforth between the MCA and the GERAKAN will be conducive to restoring public trust, especially the trust of the ethnic-Chinese people.

9300/9738
CSO: 4205/10

MCA OFFICIAL COMMENTS ON PAS WOOING CHINESE

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 4 Jan 86 p 14

[Text] Datuk Lee Kim Sai, secretary general of the Malaysian Chinese Association [MCA] indicated that the Islamic Party [PAS] has completely shifted its political strategy toward wooing the Chinese in an attempt to win Chinese support in the coming general elections.

He stressed that the moment it becomes a ruling party, the PAS will definitely govern the country in accordance with Islamic doctrine and bring more serious blows to non-Muslims, particularly in the fields of culture, education, and religion.

Datuk Lee was commenting on the PAS announcement concerning its formation of a Consultative Committee for Chinese Community Affairs.

He said that the PAS was not founded yesterday but had been in existence in our country for many years. The Chinese should get a clear understanding of the Islamic Party's change of strategy.

He said that Chinese political organizations sitting in the National Front have obtained opportunities to take an active part in politics and play their roles.

He added that in the past, when the PAS and the United Malaya National Organization [UMNO] were bickering with each other, the former insisted that the UMNO should rule the country in cooperation with Muslims, the Chinese and other political parties.

He pointed out that at one time the PAS strongly accused the UMNO as infidels, governing the country in violation of the Islamic doctrine. This accusation aroused the ire of the Chinese against Muslims.

Datuk Lee said: "By common political reasoning, the sudden 100 percent change of the PAS, including its series of political strategy, even suggesting that non-Muslims can become PAS candidates in a political election and announcing the formation of a consultative committee for Chinese affairs--all this is nothing but a ploy to win the Chinese support in a general election."

He held that the recent remarks by Deputy Prime Minister Datuk Musa Hitam about Chinese society are worth consideration.

Datuk Lee stressed that it is not a healthy sign for a political party to undergo a 100 percent change within a short period.

He said that if the PAS wanted to understand the sentiment and problems of the Chinese community, the MCA would welcome such a move. However, after achieving this objective, the PAS may no longer exert greater political pressure against UMNO-blessed Malaysian organizations which are enjoying special rights.

Datuk Lee admitted that certain members of Chinese society reacted favorably to PAS' conciliatory moves, but this should not be misconstrued to mean that the PAS is better than the UMNO or that the Chinese agree to the PAS governing the country. This is not the aspiration of the Chinese community.

Datuk Lee maintained that the Chinese favorable reaction to the PAS moves may be attributed to recent government administration which was marked with many irregularities and faulty interpretations, which dealt the Chinese community with serious political and economic blows.

He believes that by using the long-term political status of the Chinese community as a criterion, the Chinese should not support the PAS merely on the basis of sentiment. Instead, the Chinese should work through the strength of their own organizations and reflect the government's unfair administration and deviations in a concrete manner, so they can be rectified.

Datuk Lee said that if Chinese society should feel a deterioration of government irregularities and lose their confidence and switch their support to the Islamic Party, the consequence would not only be detrimental to the Chinese society, but also to the entire nation.

The Chinese should adopt a vigorous attitude toward government administrative deviations and fight to the end for a fair solution through the political strength of the Chinese people. This is the best thing to do.

9300/9738
CSO: 4205/10

MALAYSIA

LIM KENG YAIK ON PROPOSED MCA-GERAKAN MERGER

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 5 Jan 86 p 18

[Text] Datuk Lim Keng Yaik, president of the Malaysian People's Movement [GERAKAN], has yet to reject the suggestion for an MCA-GERAKAN merger.

He stressed, however, that this merger implies the formation of a new party, complete with a new democratic constitution, and at the same time the new organization must be willing to accept all the members of both parties.

While declining to clarify whether the MCA should be transformed into a multiracial political party, Datuk Lim said: "The GERAKAN has 20,000 ethnic-Indian members, 10,000 ethnic-Thai members and sevearl thousands of ethnic-Malay members."

He added that accepting all the members of both parties is a basic principle. "It is my duty as a party leader to look after all the members. Therefore, the new party must also accept all of them."

By way of example, he said that when the Sarawak Bumiputra Party and the Conservative Party were fused into the Bumiputra Conservative Party, all original members of both parties were incorporated.

Datuk Lim made these remarks after a GERAKAN Central Committee meeting.

The other day, MCA President Tan Koon Swan proposed a merger between his party and the GERAKAN to restore the trust of Chinese society.

Datuk Liem Keng Yaik disclosed that his party's Central Committee also discussed the proposed MCA-GERAKAN merger, adding that this merger implies the establishment of a new party and the emergence of a new spirit, with a new democratic constitution.

"A merger should be able to bring about a wider political outlook in order to deal with the mounting racism and fanaticism in a more effective way. Our objective is the realization of a fair and just Malaysian society. Consequently, the merger must also bring about wider representation for all layers of Malaysian society".

Speaking about the MCA-GERAKAN Joint Council, he said that his party's representatives sitting in the council are Datuk Lim himself, Deputy President Datuk Leong Kit Siang, Vice President Gurusamy, General Secretary Kuok Choo Chen and Central Committee member Goh Cheng Teik.

Datuk Lim Keng Yaik also indicated that his party welcomes MCA's proposal for a closer cooperation between the two parties. "This is a good beginning, which is beneficial to our country and people. As a matter of fact, the GERAKAN has always been ready to carry out a closer cooperation."

"We are elated about MCA's readiness to cooperate with our party for the purpose of dealing with numerous urgent and important issues facing our country and people. The GERAKAN has proposed that we refer to the agreement arrived at last April and an MCA-GERAKAN Joint Council conference be held to discuss plans for solving these issues."

Mentioning about MCA members who will sit in the cabinet, Datuk Lim said it is the prerogatives of the MCA leadership to change their representatives in the cabinet.

He hoped that MCA's new cabinet members can earnestly carry out their tasks and aid the people to solve various problems.

9300/9738
CSO: 4205/10

CHINESE ASSOCIATIONS' CIVIL RIGHTS COMMITTEE FORMED, ANNOUNCES GOALS

Joint Statement Objectives

Selangor KIN KWOK DAILY NEWS in Chinese 10 Jan 86 p 2

[Excerpts] A large group of Chinese associations, pillared by 15 of them as mainstay, have formed an "All-Malaysia Chinese Associations Civil Rights Committee [AMCACRC] to carry out the nine goals stipulated in the first stage of the "1985 National Chinese Associations' Joint Statement."

This civil rights committee intends to take the initiative to discuss with various political parties plans to solve complicated problems facing our country and people.

In its statement made public today, the committee will invite all political parties to deliberate ways to realize its first-phase nine objectives and draw up realistic, practical, and reasonable solutions.

To rally around and support the committee's "1985 National Chinese Associations' Joint Statement," is called upon various Chinese organizations in different states, such as the Chinese Union, Federation of Chinese Associations and Chinese General Chambers of Commerce, to hold separate meetings by the end of February this year.

Below is a list of the nine objectives mentioned in the joint statement:

1. Eliminate the differentiation between bumiputras and non-bumiputras, and oppose the economic policy of putting the bumiputras' interests above all else.

The economic policy of restructuring society on the basis of bumiputraism has seriously suffocated the development of our nation's economy. As the 30 percent shares equity for the Malays has basically been attained, it is time for the government to eradicate such economic policy gradually and concentrate on wiping out poverty irrespective of race. The differentiation between bumiputras and non-bumiputras, as well as the rampant opinions favoring racism, is the root of ethnic polarization in our country. We must abrogate the racial differentiation and curb racism, which will aid the promotion of national unity.

2. Treat fairly all mainstream schools and the languages used by our nationalities.

We oppose the enforcement of policy of language assimilation or discrimination through legislative or executive authority. We support Malay as our national language, but all nationalities should be free to learn and use their own mother tongues, and this basic right should not be encroached.

Chinese and Indian primary schools should be equally treated as national primary schools in matters of fund appropriation, school building construction, facilities, hiring of teachers and other subsidy programs. No favoritism to one at the expense of others shall be tolerated. Chinese and Indian primary schools' teaching, textbooks, exams, administration, meetings and teachers training are carried out in their mother tongues except non-mother tongue subjects.

The government should recognize the contributions made by Chinese-language independent schools to our national schools, and also the significance of their existence. At the same time, the government should support independent Chinese middle schools development in funding, teachers training, school construction and facilities; should permit the Chinese students to transfer to other schools; and grant permits to open branch or new schools with permanent registration certificates.

3. The formation of a cultural policy must recognize and accept the pluralistic characteristics of our national society.

Malaysia is a multiracial, multireligion and multicultural society. The formation of our cultural policy must accept our pluralistic society, treating the cultures of our various races fairly. We oppose the government's attempt to force the aspirations of a certain race upon another by means of law or an administrative force. Our national culture is the sum total of the cultures of our nationalities, and its development should be based on the outstanding elements of our cultures, by incorporating things of diverse nature, and seeking common grounds while reserving differences.

4. Develop new villages in an all-round way to be incorporated into the national development mainstream.

For more than 30 years, some 1 million-odd inhabitants of new villages have been relegated to outside of the national development mainstream. Since 1970, only M$50 million have been earmarked for the development of new villages during the three Malaysia Plans. On the average, each new village resident received a pittance of M$4. Poverty-stricken villagers should have the right to take part in the national development plans. The authorities should draw up concrete policies and measures to solve the following problems: shortage of land and problem of title-deed for landholdings, unemployment, lack of good basic facilities, pressure of population increase and low educational standard.

5. Strictly ban illegal immigrants to maintain our social tranquility.

The problems of Indonesian illegal immigrants and Saba-Philippine refugees have grown serious by the day. Not only have they robbed local laborers of their job opportunities but also harassed public order.

6. The government should speedily handle and approve all qualified applications for citizenship.

The procedure to apply for citizenship should be simplified. The predicament of "stateless" residents should be reviewed and studied, and the government is morally bound to help them on humanitarian grounds.

7. The demarcation of electoral districts should be based on the fair, democratic principle of "one person, one vote," so the total number of electorates in each electoral district is generally the same.

Equality under the democratic system means the principle of "one person, one vote," and each citizen's right to vote should be the same, irrespective of race, religion, sex, occupation, social background, or the locality where one lives.

However, as the constitution does not specify the minimum or maximum number of voters within an electoral voting district, it is now known that in certain parliamentary electoral districts, the number of voters in a certain district may be twice or three times more than another district, thereby violating the principle of fairness and democracy.

8. Establish a clean, effective administrative system, and deal with corruption stringently.

To build a clean and effective administrative system, the government must take precautionary measures to streamline the bureaucracy and reduce chances for corruption, and strictly punish the guilty as a warning to others.

9. Reexamine the laws that violate basic human rights.

The Internal Security Act, the Incitement Act, the Printing and Publishing Act, the Universities and Colleges Law, as well as other laws which violate basic human rights, should be reviewed and reexamined.

The All-Malaysia Chinese Associations Civil Rights Committee is taking the initiative to discuss with various political parties about ways to deal with the complicated problems facing our country and people. As stipulated in the "1985 National Chinese Associations' Joint Statement," its aim is "to safeguard the civil rights and democratic rights, the state principles and the United Nations Human Rights Declaration, all of which are stipulated in our federal constitution. At the same time, we are striving for the due rights and interests of all our people." The committee believe that it is the duty of all political parties and mass organizations to promote the equality and unity of all our nationalities, jointly help national reconstruction for the country's progress and prosperity and permanent peace and tranquility. The committee deeply appreciates that the realization of the objectives of the Chinese Associations' Joint Statement is a long, onerous and complicated process. We must strive for its achievement rationally and lawfully, based on objective and subjective conditions and through proper channels.

KIN KWOK's Comment

Selangor KIN KWOK DAILY NEWS in Chinese 11 Jan 86 p 2

[Commentary]

[Text] The leading mechanism of a group of Chinese organizations has announced the formation of an "All-Malaysia Chinese Associations Civil Rights Committee," which carries a deep significance. Its most important aim is to carry out the nine major objectives stipulated in the "1985 National Chinese Associations Joint Statement."

Membership of the leading mechanism mainly comprises Chinese unions, alumni clubs, chambers of commerce and fraternal guilds. As a matter of fact, it is an umbrella organization embracing various elements of Chinese associations, therefore the joint statement signed in 1985 was a highly representative one.

First of all, we need to explain why it was deemed necessary to sign a joint statement. What was the purpose of this statement?

The leaders of the above-mentioned Chinese organizations mainly come from business and educational circles who are fully aware that the Chinese are faced with many difficulties in economic and cultural fields. If they are not rectified now, the Chinese will face a dark future.

We believe that the joint statement of the Chinese associations carries a special meaning, for it represents a unified opinion among business and educational circles on our economic, cultural and educational problems, and it brings up some methods for resolving these difficulties.

In fact, the contents of the joint statement are not restricted to economic, cultural and educational problems, but include basic human rights and social problems, such as civil rights, illegal immigrants, demarcation of electoral districts, poverty, administrative efficiency and new village development.

For practical purposes, the joint statement embraces all difficulties being faced by the Chinese in our country, representing the unified inner voice of the entire Chinese nationals.

However, there is one thing we must admit, and that is, that the joint statement must go through a sort of political strength in order to be implemented, otherwise it will be nothing but empty talk which will even make the situation worse.

The Civil Rights Committee was formed for the purpose of carrying out the joint statement of the Chinese joint statement. This committee may take the initiative to discuss and seek practical ways with all political parties. This is something that must be done, because these Chinese association is nothing but a mass organization, so it must join hands with political groups to give full rein to its role.

We have several political parties whose memberships are made up of Chinese people, such as the Malyasian Chinese Association [MCA], the Malaysian People's Movement [GERAKAN] and the Democratic Action Party [DAP]. Although organizationally speaking they are different from one another, we hope they will give their wholehearted support to carry out the Chinese joint statement. In particular, the DAP, which is an opposition party, should not take this occasion to make criticisms, because the eventual effect would be disadvantageous to the Chinese society.

The MCA and the GERAKAN are member parties of the National Front. Although they do not express their views publicly on certain sensitive issues, we hope that both parties will aid the implementation of the Chinese associations' joint statement with a sincere attitude and positive action.

We attach great importance to the term "sincere and vigorous attitude." With the approach of a general election, neither party should show off a fawning or hypocritical attitude simply for the purpose of winning votes from the Chinese. They may get Chinese votes, but this is only of a temporary nature. Lack of sincerity or trying to ingratiate oneself with others will eventually be repudiated by Chinese society, while the problems faced by the Chinese community will remain unsolved forever.

SIN CHEW's Comment

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 11 Jan 86 p 23

[Editorial]

[Text] An "All-Malaysia Chinese Associations Civil Rights Committee" has been formed to carry out the "1985 Chinese Associations' Joint Statement." This is an event which has aroused the attention of Chinese society since the signing of the 1985 joint statement. It indicates a good start for the Chinese associations which have begun to stand up after sitting down for a long time.

This civil rights committee has drawn up plans on how to implement the nine objectives mentioned in the joint statement, including the eradication of demarcation between bumiputras and non-bumiputras, the opposition to the economic policy which puts bumiputras' interests above all others, a fair treatment of all mainstream schools and languages of various nationalities, and the acceptance of the pluralistic characteristics of our country in formulating our cultural policy.

This civil rights committee has decided to invite all political parties to deliberate concrete measures for implementing their nine objectives. In addition, the committee has also called on various Chinese associations throughout the land to hold separate meetings by the end of February this year as a token of rallying support to the goals of the joint statement.

The civil rights committee has requested all political parties to express their views, in line with our democratic system, on how the nine objectives can best be achieved. On this point we have no cause for much criticism, as we must make good use of all supporting forces. However, in light of the spirit and political platform of various political parties, especially their past performances in trying to fight for the interests of the Chinese people, we think that the civil rights committee should take a cautious attitude in dealing with these parties. The reason is that we cannot be sure whether these parties will be willing to relinquish its party profit and personal selfishness in favor of the nation's interests. As a matter of fact, the preamble of the Chinese Associations Joint Statement clearly pointed out: "We are disappointed by the inability of the National Front government and Chinese-based political parties to solve the major problems faced by the Chinese society."

Naturally, we hope all political parties, particularly Chinese-based parties, will henceforth give an outstanding performance to fight for the rights and interests of the people for the benefit of our country and people. If they can do that, their excellent achievements will be assured.

The Chinese Associations Civil Rights Committee has appealed to all Chinese leaders to hold separate meetings in their respective associations, to rally around and thoroughly support the nine objectives of the joint statement. This is only natural. However, we believe that the civil rights committee should pay more attention to the reaction of the general public to see whether they fully understand the contents and spirit of the joint statement. If they do understand, then they will willingly support the Chinese organizations with a sense of empathy. This is an important problem, because we need the power of the people if we want to fight for their rights and interests. If we cannot mobilize the force of the people, all efforts will be in vain. We hope the committee will pay attention to creating realistic public work and to forming a solid foundation.

Another point is that the joint statement of Chinese associations is, in effect, not merely the aspirations of the ethnic-Chinese people; it also expresses the wishes of other nationalities. From the viewpoint of our national policies and the problems involved, the Chinese Association's Joint Statement is a patriotic statement aimed at promoting the unity of our people and the progress of our country. Consequently, this statement is worthy of being taken seriously by our national leaders. We hope that the leaders of the Chinese associations bravely and rationally carry out the objectives of this joint statement through various channels.

9300/9738
CSO: 4205/10

KANAK LEADER SCORED ON LIBYAN LINKS

Paris LE MONDE in French 5-6 Jan 86 p 16

[Article by Frederic Filloux: "The Caledonian Union Disavows Mr Uregei, Sponsor of Relations Between FLNKS and Libya"]

[Text] "The relations of Yann Celene Uregei with Libya concern only him." In these terms the Caledonian Union (UC), principal member of FLNKS [National Socialist Kanak Liberation Front], commented on Saturday, 4 January, on the initiative of the president of FULK (United Front of Kanak Liberation), one of the most hostile minority parties of the independentist coalition. In an interview given to an Australian paper on the preceding day, Mr Uregei, who holds the position of "foreign minister" in the "provisional government" of the FLNKS, announced that 2 months from now he would go to Tripoli at the head of a delegation of the independentist movement to take part in a "summit of liberation movements" convened by Colonel al-Qadhdhafi. "There is nothing unusual about that," Mr Uregei thinks. "FLNKS will be just one among two hundred others at a meeting which is held every 2 years. This will be our first participation in that event. For the one in 1983 in Angola, the invitation reached us too late."

That doesn't end it. The UC, anxious to appear as a responsible and non-violent organization, has for the first time openly dissociated itself from the leader of FULK. "This time Yann has gone too far," said a spokesman on Saturday. The words of the communique of Mr Jean-Marie Tjibaou's party are clear--"The Caledonian Movement advises that it is in no way involved in this statement, the directorate of FLNKS never having been consulted about the matter. As a driving force in FLNKS the UC believes that the eventual participation of some leaders or activists would involve only them....We refuse to give standing to international terrorism wherever it may come from."

Based on the evidence, Mr Uregei is accordingly isolated in his episodic relations with Libya, which previously had aroused only muted criticism in the ranks of FLNKS. At the end of 1984 the leaders of the Caledonian Union had reluctantly agreed to sending "trainees" to Libya, and the former "minister of security" of the FLNKS, Eloi Machoro, killed on 11 January by the GIGN [not further identified] had also gone to Tripoli, but today Mr Tjibaou and those near him consider all relations with Colonel al-Qadhdhafi damaging to the moderate image which the independentist movement wants to have.

Mr Uregei for his part indicated to us that the relations of the independentists with Tripoli have been carried on up to the present through the intermediation of the Vanuatu Center Community, whose office is at Port-Vila, capital of the Republic of Vanuatu (formerly New Hebrides). According to him, this organization, which embraces the liberation movements of the Pacific countries, is linked to Tripoli, and it was through its intermediation that the training course of November 1984 was arranged.

According to the authorities concerned, these training courses in Libya are said not to include intensive terrorist training but to be oriented rather toward political education. However that may be, they damaged the image of the FLNKS considerably, even among the countries supporting the Kanak cause, and the New Caledonian separatists have been vigorously criticized in certain assemblies where the independent countries of the region come together, such as the Forum of the Pacific. The statements made by Mr Uregei to the Australian press also led the Australian Government to warn Libya against any exportation of violence to the Pacific, and the minister of foreign affairs, Mr Bill Hayden, called in the ambassador from Tripoli on Friday to ask for an explanation. That warning is also indirectly addressed to the FLNKS. The Caledonian Union understood it perfectly.

13028/6091
CSO: 4219/21

GDP CONTRACTS SHARPLY, OPPOSITION CRITICIZES POLICIES

Auckland THE NEW ZEALAND HERALD in English 3 Feb 86 p 3

[Article: "GDP Shrink Confirms Economic Predictions"]

[Text]

The long-forecast slowdown in economic activity finally began towards the end of last year, with a sharp contraction in the gross domestic product between June and the end of September.

The economy contracted by 0.3 per cent in the September quarter, according to official figures released at the weekend by the Government Statistician, Mr Steve Kuzmicich.

This follows a 1.7 per cent increase in the real GDP recorded during the previous quarter.

The quarterly index of GDP is the broadest indicator available of economic activity. The weekend's figures are in line with other recent economic indicators.

Employment statistics released last month showed the recession was beginning to throw thousands of people out of work, with the number of people registered as unemployed increasing by more than 2000 during December.

'Consistent'

This reversed a steady improvement in the number of people out of work up until then.

While Opposition spokesmen yesterday accused the Government of destroying economic growth, the Minister of Finance, Mr Douglas, said the figures were consistent with both Government and private predictions.

He said the Government's policies had helped to sustain the economy through a period of exceptional growth which lasted well beyond the end of 1984, when the recession had originally been expected to hit.

"As a result, we are entering a period of readjustment which the country has always had to face, but from higher levels of economic activity with improved ability to handle the adjustment," said Mr Douglas.

He said the figures contradicted Opposition claims that Government activity had ballooned out of control under Labour.

'Misleading'

The figures released this weekend showed the general government services sector in the September quarter was down 1.8 per cent on the corresponding 1984 quarter and down 1.1 per cent for the 1985 September year compared with the 1984 September year.

But Mr Douglas said this figure was misleading because of a peculiarity of the way in which the GDP figures were worked out. Increases in oil exploration activity were counted as a negative impact on economic activity until oil was struck.

"The decline shown for the sector reflects in part the positive oil exploration activity now under way. In any other sector increased activity adds to the GDP figures."

The Opposition finance spokesman, the Hon Bill Birch, said the weekend's figures confirmed that the growth in the economy at the time of the change of government had sufficient momentum to carry it through beyond the third quarter of last year.

"It is also clear the series of economic decisions made by Mr Douglas and the Lange Government since the election have all but destroyed that growth," he said.

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CSO: 4200/795

NEW ZEALAND

PAPER ANALYZES DOUGLAS' 'LUCK' ON ECONOMY; END VIEWED

Auckland THE NEW ZEALAND HERALD in English 22 Feb 86 p 6

[Commentary by Simon Collins in the "Politics" column: "Indian Summer for Economy May Be Ending"]

[Text]

The Minister of Finance, Mr Douglas, must be one of the luckiest people in New Zealand politics.

The question is: what will become of "Rogernomics" when his luck breaks and the country slides this year into what could be the deepest recession in a decade?

At the moment, Mr Douglas, like most urban New Zealanders, is enjoying an Indian summer of economic buoyancy which has lasted far longer than anyone expected.

At first, during most of last year, booming exports boosted by devaluation, and a monetary policy which later proved to have been more relaxed than intended, kept the economy growing on the most sustained upturn since the early 1970s.

There was a hiccup late in the year when the unplanned rise in the kiwi dollar and interest rates produced a rush of factory closures.

But the sharp reversal in the kiwi dollar in late December, combined with an unplanned wage round of 16 to 20 per cent, has put money back in the pockets of both exporters and wage-earners.

The result has been a good Christmas for shopkeepers, an unexpected fall in unemployment in January and, apart from 100 people at Pacific Steel, in Otahuhu, no sign of the mass layoffs which had been predicted.

'Respectable' Deficit

Even the Government budget appeared this week likely to produce a "respectable" deficit of $1.7 billion, helped by lower world interest rates on its foreign debt and the tax taken from wage-earners' pay rises.

The icing on an already mouth-watering cake has been provided by the dramatic halving of world oil prices, which will boost the economies of Europe and Japan and allow them to buy more New Zealand products.

This run of luck, however, is now almost sure to end.

Economists have cried doom so often now, yet the economy has stayed so buoyant, that it would be easy to dismiss the Institute of Economic Research's warning this week that the economy has started on the sharpest downturn since 1977.

But that would be wrong. The Institute's business opinion survey found that 54 per cent of manufacturers and builders have already suffered a fall in orders in the past three months, with 59 per cent expecting a further fall this quarter.

Dr Gareth Morgan, of the Wellington forecasting group Infometrics, believes that there will be no net growth in jobs this year, and consequently "markedly higher" unemployment.

What is more, he believes the recession is being deliberately induced by a tight Government monetary policy, with resulting high interest rates and a high exchange rate, which is finally starting to bite.

Unemployment The Price

"It needs to get worse

for Rogernomics to work," he says.

Mr Douglas has been telling workers for so long that the price of higher wages is higher unemployment that he is now virtually obliged to drive the lesson home.

As long ago as the 1984 election, the Labour Party warned that the country was living beyond its means, and would need to tighten its belt, stop importing so much, and increase exports.

But Dr Morgan notes that the emphasis has now changed. The balance of payments, still running at minus $2.4 billion in 1985, compared with minus figures of $2.1 billion and $0.9 billion in the previous two years, seems forgotten, and the emphasis has switched to inflation.

"Mr Douglas, I think, has always said that New Zealand's main problem is inflation," Dr Morgan says.

For years, inflation has run at around 15 per cent in New Zealand, compared with about 8 per cent elsewhere, a gap of 7 per cent.

By September this year, New Zealand inflation will be down to 10 per cent. But lower oil prices will bring overseas inflation down to 3 per cent. The gap will still be 7 per cent.

"As long as we inflate faster than the rest of the world, our currency has to keep depreciating. That means we have to keep absorbing it in a never-ending spiral," says Dr Morgan.

Enlightened Policy

"Now he [Mr Douglas] knows he has to have a really protracted depression to cure inflation."

Dr Morgan himself believes this is "still very much an enlightened policy." But other economists disagree.

Professor Bryan Philpott, of Victoria University, says the attempt to control inflation by control of "primary liquidity" has failed.

It has not stopped wages going up almost 20 per cent, and he believes it will not stop companies passing on wage costs in higher prices as they always have.

Indirectly, it is true that the monetary policy has forced up interest rates, which have attracted foreign money and forced up the exchange rate, which has cut import prices and forced exporters to cut back and lay people off.

"But 20,000 unemployed is too high a price to pay to knock 1 or 2 per cent off the inflation rate," Professor Philpott says.

He urges a deliberate policy to bring the exchange rate down to a level which will sustain the farming industry and enable manufacturers to compete overseas.

However, Mr Douglas himself disdains any such alternative.

He points to the good January unemployment figure as proof that the Institute of Economic Research survey is "unduly pessimistic." And he believes the old economic rules no longer apply.

"You have a whole new breed of entrepreneurs out there," he says.

"Management has changed. They are not people who are coming to the Government asking for a handout. They are actually doing some very creative things and getting on with the job."

He believes that a downturn was inevitable when the Government started to "remedy some of the imbalances" in the economy. Cutting its own overspending was a negative influence.

"We have got to get inflation down. The very viability of our trading sector and farming is based on getting inflation down," he says.

He believes the low inflation rate in the last quarter of last year is a sign that he is succeeding in this goal.

Despite signs that Labour backbenchers would not tolerate high unemployment, he is determined to stick to his tight monetary policy literally regardless of what happens to jobs.

But, in practice, he does not think unemployment will be all that bad.

"If people do respond positively, then there is no reason why the downturn should not be relatively short-lived," he says.

"What we are doing is putting in place a policy that will create jobs in the medium term."

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CSO: 4200/795

EDITORIAL CRITICIZES EC FARM POLICY

Auckland THE NEW ZEALAND HERALD in English 7 Feb 86 p 6

[Editorial: "Dump the EC Farm Policy"]

[Text] Having only recently abandoned agricultural price support policies of our own, it may be considered somewhat impertinent to cast stones too vigorously at the common agriculture policy of the European Community. If the consumers of the member countries are happy to subsidise farmers lavishly by an amount estimated at more than $1500 a year for each non-farm family, that may be counted their affair.

But since its inception nearly 30 years ago the domestically oriented policy of open-ended price support has grown into a seemingly unmanageable monster with substantial international effects. It has stimulated European agricultural production and subsidised exports, causing Europe to move from being a net importer of farm products to becoming the world's second largest exporter.

Europe's protectionist agricultural policies have destabilised and depressed — by some 16 per cent — prices on world markets, imposing substantial costs to the economies of rural exporting countries like New Zealand. Those effects make the policy very much one for international condemnation.

With subsidy costs soaring and production some four times greater than consumption, leading to vast food mountains, there is an increasing acknowledgment in Europe that the policy must be reformed. Mr Frans Andriessen, agriculture commissioner and vice-president, has declared that the policy must be adapted to give market prices a greater role in guiding supply and demand. Some reforms have already been made. Part of that process is the proposal to dump 60 per cent of the EC food mountains on the world market in the next three years.

Even if the dumping is carried out in an "orderly" manner, New Zealand is unlikely to be immune from its effects. But if it is the first step in real reform of a policy that is little short of an anathema, it may be a bitter pill worth swallowing. Mr Andriessen declared that the reform process demanded political choices. The main task for New Zealand, and like countries, will be to ensure that Europe maintains the political courage to continue the reforms.

Thus strengthening the rules on agricultural subsidies in the forthcoming round of the General Agreement on Tariffs and Trade becomes even more important.

It would be helpful, too, if Europe could be persuaded to consign some of its surpluses to those famine-stricken countries which cannot afford food purchases, and thus have less effect on world trade.

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CSO: 4200/795

SUP ORGAN DISCUSSES CLOSURE OF FORD PLANT

Auckland NEW ZEALAND TRIBUNE in English 10 Feb 86 pp 1, 2

[Article: "700 Ford Workers Sacked! More Plants To Close!"]

[Text] **BY mid-1988 the Ford Motor Company will have ended vehicle assembly at its Seaview plant in Lower Hutt after almost 50 years of production. Seven hundred workers will have been laid off as the biggest step yet is taken to 'restructure' the motor industry—'restructuring' that will shed many more hundreds of jobs, see widespread introduction of technology and automated processes as the industry adapts to the sophisticated Japanese domination of motor vehicle production.**

The announcement made on January 31 ends months of speculation and rumour about Ford's intention. After having made huge profits over its more than 50 years production it is walking away and leaving a massive hole in the local economy.

Workers at a mass meeting last week expressed anger, bewilderment, fear and frustration.

Fred a worker with more than 20 years experience and a dependent family, angrily told *Tribune* reporter: "We have asked the company for the last three years if they were going to close. I could have taken up another job over two years ago; but they said it was only rumour-mongering—the unions trying to cause trouble."

Most like Fred face a difficult time getting replacement jobs. Another group of workers collectively expressed the question, "where is it all going to end? Are there no jobs with real security for the future?"

That question is the real centre of the problem. Ford, like all other monopolies and transnational corporations, has no interest other than making bigger and bigger profits. It's time that the communities, trade unions and workers established democratic control over such companies. No amount of pious good intentions about job relocation and so on can hide the fact that Ford is pulling out and leaving not only the 700 workers in the lurch but also a big chunk of small business whose future is also in tatters.

The SUP supports proper compensation for the workers and the community, opposes the employer sponsored 're-structuring' of the industry which will see other plants close down, calls upon the government to nationalise the industry and to put workers' jobs and living standards as a first priority.

The company can become the centre of our industry-wide struggle to prevent the destruction of hundreds more jobs. What is required is an industry strategy that will unite the workers within the industry and the wider community to win social control of the motor industry giants. ■

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NEW ZEALAND

LANGE VOWS TO TACKLE STATE WAGES 'RANSOM'

Auckland THE NEW ZEALAND HERALD in English 11 Feb 86 p 3

[Article: "Government Will Not Stand Wage Ransom"]

[Text] The Prime Minister, Mr Lange, reacted sharply yesterday to the mounting state wages bill, saying state pay-fixing had become a major problem which the Government would have to tackle.

In declaring the Government's determination not to be "held to ransom by greedy people," he concentrated his attack on Air New Zealand pilots, whose current industrial action he described as a "form of gangsterism."

Mr Lange said the pilots' tactic of using more fuel on take-offs and on longer routes was betraying any justice their cause might have.

In state pay-fixing generally the normal criteria had been abandoned, he said. And there was a "quite unreal perception" that the taxpayer was a bottomless purse.

His comments come in the wake of estimates that the state wages bill will cost the Government an extra $1.2 billion a year.

The result will be a further increase in the budget deficit — a point which Mr Lange conceded yesterday.

He added that there were still more than 90 individual class claims within the public service due for assessment and decision.

Although Mr Lange was not specific on how the Government would come to grips with fixing wages and salaries for state employees, he ruled out the likelihood of wage controls. The Government would not be tempted on that option because it had led to the "shambles" in the first place, he said.

"We have got to seize that authority again and we are going to do that this year.

"We are going to point out to people that it [the public purse] is not a bottomless pit."

Mr Lange said he thought there was a major problem in state pay-fixing, "a fundamental problem that we have to address as a Government."

He blamed the Opposition for a system which had made the Government prone to escalating claims from every other sector. The normal criteria had been abandoned by those sectors.

"What has an impact is that so-and-so got 38 per cent.

"I mean, criteria have long since gone out the window and quite illusory figures sometimes have become the whole logic of the argument," Mr Lange said.

The impact of the Higher Salaries Commission determinations last year on the 1985-86 wage round had been disastrous, he said. He regretted that legislation had not been passed to nullify the determinations.

Although the Government could have legislated retrospectively, it had chosen not to because "we are an interesting coalition of principles."

He focused his attack on the Air New Zealand pilots, for whom he said the Government had no sympathy. The pilots are seeking pay rises of up to 30 per cent.

"To delay flights while flight crews go from Mangere to a restaurant in Auckland and come back to resume the flight is a form of gangsterism which is unparalleled from people who allege that they are professionals."

Mr Lange noted the decision by Continental Airlines in the United States to cancel wage agreements with pilots and impose reduced pay scales.

"The pilots ought to remember the airline that is going to fly the Pacific against them has been in competition with companies that sacked all pilots and re-engaged them at two-thirds salary."

He added that he was not advocating Air New Zealand should use the same tactics as Continental Airlines.

Mr Lange asked why pilots, who were skilled and received substantial remuneration, engaged in "gas-guzzling manoeuvres on runways and takeoffs."

And he queried why they should demand more, in effect, than the chief executive of the airline.

Prison officers, too, incurred the Prime Minister's wrath for their threatened action. They are seeking better wages to compensate for increased responsibilities and stress.

Mr Lange said the officers' dismissal of a 20 per cent offer as a nil offer was beyond his understanding of the English language.

On whether the seemingly generous settlement to police may have set a precedent for others in the state sector, he said it came back to the problem of perception.

Police worked long and unusual hours, attended grisly scenes and had to "pick up pieces of society's absolute disintegration."

A pilots' spokesman, Captain Jerry Rees-Webbe, said in Wellington last night that the Prime Minister's remarks did nothing to help the dispute.

"If anyone is a gangster, it is the politicians who gladly accepted their pay rises last year."

Captain Rees-Webbe said Mr Lange had adopted Sir Robert Muldoon's habit of disparaging the pilots. Sir Robert had called them "psychotic misfits."

The outburst had served only to divert the row away from what pilots saw as the real issues. Pay was one element, but other matters were concerned.

Relentless pressure on Air New Zealand to compete and improve operational efficiency at the same time as embracing an "open skies" policy was at the heart of those concerns.

Certain Rees-Webbe said moves towards deregulation by Air New Zealand had caused problems with all its unions.

It had become clear that deregulating for commercial expediency raised safety problems.

"Deregulating and open skies are doing nothing for the safety of the travelling public," he said.

These broader issues were at the core of the pilots' dispute, but airline management and now the Prime Minister insisted on masking it as a pay row.

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LABOR MINISTER CRITICIZED OVER WAGE DISPUTES

Auckland THE NEW ZEALAND HERALD in English 14 Feb 86 p 5

[Text]

The Minister of Labour, Mr Rodger, again came under fire from the Opposition yesterday as a series of industrial disputes continued to cause disruption throughout the country.

The Opposition's new labour spokesman, the Hon Bill Birch, accused Mr Rodger of not fulfilling his responsibilities and becoming "a bystander in the process of extraordinarily high wage settlements."

On Wednesday, the Leader of the Opposition, Mr McLay, called Mr Rodger a non-performer who was sitting on the sideline and doing nothing.

Mr Birch said wage fixing was taking place not by negotiation but by strike action.

10 Disputes

He distributed copies of a magazine interview with Mr Rodger in which Mr Rodger said that he would refuse to intervene in disputes, except those he regarded as affecting the national interest.

Mr Birch listed 10 disputes which he said fell into that category. They were:

- The stopping of work at 26 of the country's 38 freezing works.
- Stopwork meetings throughout the country by secondary schoolteachers.
- The Air New Zealand pilots' dispute which would lead to a second stopwork meeting on Monday.
- The giving of 14 days' notice to strike by the Air New Zealand stewards and hostesses over a rostering dispute.
- Industrial action by hospital kitchen staff in Northland.
- A walkout by prison officers in Christchurch and Invercargill over a wage dispute.
- Closures at the Kawerau and Tasman pulp and paper mills because of strikes over a pay claim.
- Labourers, who were "preparing maximum disruption."
- The likelihood of industrial action next week among Ministry of Transport traffic officers after a breakdown in wage talks.
- A clerical workers' pay dispute in Wellington, which was threatening to close two production lines at Wellington motor assembly plants.

Mr Birch said: "Not one of the above listed could be regarded as other than affecting the national interest."

Great Concern

In response to Mr Birch's list, Mr Rodger said he was watching closely the dispute in the freezing works, adding that it was "obviously of great concern."

He said he had discussed it with unions and the freezing companies.

The teachers' dispute was not in his portfolio but talks were continuing; the pilots' stopwork meeting had been deferred while talks continued; and discussions were "proceeding well" over the stewards' row.

On the Northland kitchen staff action, Mr Rodger said negotiations were proceeding and there were prospects of a compulsory conference or committee of inquiry.

Wildcat

The prison officers had produced only a wildcat 90-minute strike — and talks were now going on — while the Tasman dispute was before the court and work would resume immediately.

With the labourers, the award had been settled; the traffic officers were continuing to discuss their case; and Mr Rodger did not mention the clerical workers' dispute.

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NEW ZEALAND

ARMY RECRUITING PICKS UP AFTER 5 YEARS

Auckland THE NEW ZEALAND HERALD in English 20 Feb 86 p 4

[Text] NZPA Wellington

For the first time in five years more people are joining the Army than are leaving — in spite of a record discharge rate, says an Army spokesman.

Projected figures show that 1210 soldiers will have enlisted in the financial year ending on March 31.

This will be the highest number of soldiers ever recruited in peacetime, and 85 more than the next highest in 1977/78.

The Army's senior personnel officer, Colonel Bret Bestic, said the reversal of the trend was due to a positive recruiting campaign begun after the Government authorised an additional 300 regular force soldiers last year.

The record recruitment was being accomplished without lowering entry standards. The Army was not soaking up "unemployables." That was a common misconception.

"We are seeking personnel in a highly competitive market. Pre-entry standards have not been lowered," he said.

"In an all-volunteer Army, which we have had since 1973, we only accept those whose mental ability is among the highest in the land, down to what is commonly regarded as 'average.'

"We have calculated that in the 18-24 age group one male out of six has shown an active interest in a possible career in the Army.

"Such high interest and awareness indicated that many young men regard the Army as a good place to be."

Colonel Bestic said he was sure that the present high discharge rate of about 70 a month would come down with new pay rates about to take effect, including a 15.5 per cent annual general adjustment.

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CSO: 4200/795

RISING TELEPHONE RATES, LINK TO BUDGET HIT

Auckland THE NEW ZEALAND HERALD in English 22 Feb 86 p 6

[Editorial: "Post Office Bill a Stunner"]

[Text] The public had been warned to expect rises in Post Office charges, and to a degree had been softened up for them. The announcement a week ago, for instance, that capital spending was to increase by 30 per cent largely to meet a massive demand for telephones, no doubt — by design or unwittingly — fostered kind thoughts among those on telephone waiting lists. Nevertheless, the full weight of all the extra charges announced yesterday leaves the whole community feeling a little groggy.

The average rise is 22 per cent. Residential telephone rentals go up by 17 per cent; service connections by 30 per cent; the standard letter charge from 25c to 30c; Christmas cards from 18c to 25c; and so on. Although postage costs will not rise again when the goods and services tax is introduced in October, the cost of using telecommunications services will do so.

All told, the Post Office by its latest exercise hopes to rake in an extra $322 million. And all this when the Government identifies inflation as Public Enemy No 1.

This is cost-plus pricing with a vengeance, the very opposite of the Government's professed philosophy. What about improvements in efficiency and productivity? The main prospect of those — and in some aspects Post Office efficiency has clearly declined — seems to lie in the proposals of private management consultants who have been reviewing the structure of the Post Office and its savings bank. But their recommendations have still to be received.

In the circumstances, it is hard not to agree with the Opposition when it claims that the Government is desperate for extra money to keep down the budget deficit to a tolerable level. Oddly, it was extra Post Office spending of $100 million on telephone equipment that Mr Douglas cited on Tuesday as one of the four factors behind the increase in the deficit.

Yet last year he took $108 million from the Post Office in tax, as well as $77 million for a dividend. Collecting it with one hand and returning it with the other would seem to be a curious accounting procedure.

Mr Hunt seems to be involved in a similarly quaint exercise. He says that without the increased charges the Post Office profit after tax will shrink from $209 million last year to a loss of $40 million in 1986-87, and "it would then be impossible to pay a dividend to ease the burden on taxpayers."

That is a nice thought on his part. But he could, of course, ease the burden on taxpayers-as-captive-customers, at the other end of the operation, by holding Post Office charges to a minimum.

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CSO: 4200/795

MEAT INDUSTRY CONSOLIDATION, CHANGES EXPECTED

Auckland THE NEW ZEALAND HERALD in English 24 Feb 86 p 1

[Article: "Third Giant on Way in Meat Industry"]

[Text]

Changes sweeping the meat industry are expected to result in a third large consortium of meat companies being formed soon.

The new grouping, representing the direct interests farmers have in the meat industry, will pull most of the meat industry into the hands of a few groups.

Widespread rationalisation of meat plants throughout the country is expected to follow.

The lamb kill is expected to drop from 39 million last year to a more realistic level of 30 million in the next few years.

The Meat Board chairman, Mr Adam Begg, said from Balclutha last night that that meant six or more works closing.

Involving

An alternative was that some works might change to cutting and further processing and others might operate on a reduced scale, with fewer killing chains, he said.

The new farmers' grouping is reliably said to involve the Meat Board, through its new marketing company Freesia Meats, the farmer co-operative Auckland Farmers' Freezing Co-operative Ltd and the farmer-owned Alliance Freezing Co (Southland) Ltd.

The parties are not talking publicly yet.

But industry sources suggest that the Meat Board may get its desired entree into the processing industry by buying the Hellaby works — Northland, Shortland and Taumarunui — now owned by Canterbury Frozen Meat.

Launched

Mr Begg said last night that he was not a director of Freesia Meats. Its board had only had one meeting and he did not think it was "going to rush into bricks and mortar at the present time."

However, the new company does have access to $150 million in the Meat Board reserve account.

And the board's chief executive, Mr Jim Bremner, said when the company was launched this month that the money would probably be used to buy into existing meat companies.

The predicted grouping would provide some counterbalance to other powerful influences moving in the meat industry — including Wattie Industries.

Approval

There is also the new company Weddel Crown Corporation Ltd, formed this month and combining the interests of Crown Corporation Ltd and a major part of the New Zealand meat interests of Vestey's Union International Plc of Britain.

It will run the Westfield (Auckland), Tomoana (Hastings) and Aotearoa (Cambridge) works.

The Wattie influence comes through its 40 per cent ownership of Waitaki NZ Refrigerating Ltd, the company which has just bought the four Borthwick CWS meat processing plants in the North Island.

Wattie has approval to buy 51 per cent of Waitaki, which has eight works, including ones at Wairoa and Wanganui in the lower North Island.

In addition Wattie controls the Hawkes Bay Farmers' Meat Company, owning 33 per cent and holding a further 20 per cent in conjunction with Advanced Meats Ltd.

The Meat Workers' Union expects the Waitaki takeover to lead eventually to powerful attacks on meatworkers.

The union's West Coast branch chairman, Mr Roger Middlemass, said that Wattie now had complete or partial control of 18 meat plants in New Zealand.

Monopoly

He said that south of a line drawn from Gisborne to New Plymouth only two works catering for North Island lamb farmers — the works at Tomoana and Oringi - were not partially or wholly controlled by Wattie.

Mr Begg said last night that his board was a little concerned that the southern half of the North Island could end up as a monopoly.

But the board thought rationalisation was needed in the meat industry and the Waitaki takeover could be helpful.

The managing director of Waitaki, Mr Athol Hutton, was quoted at the weekend as saying that none of the Borthwick works would close.

The managing director of Wattie, Mr Cliff Lyon, said last night that the Waitaki move on Borthwick opened up the potential for considerable rationalisation of the meat industry in the lower North Island and the East Coast.

"We have got to be sensitive to the farmers' predicament," he said.

"But it is very much in the long-term interests of farmers that the industry be rationalised."

How the rationalisation would be achieved was an exercise yet to be completed, he said. Really the aim was more efficiency.

Wattie has already said the meat industry has a great deal too much processing capacity. Its interest in meat is added-value meat products rather than simply slaughtering stock and exporting carcasses.

Mr Lyon said the Waitaki move was a step towards better co-ordination and more efficient marketing of New Zealand lamb products and byproducts overseas. The industry was better off having fewer groups doing the marketing.

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CSO: 4200/795

NEW ZEALAND

PAPER REPORTS ON PLIGHT OF EAST TIMORESE

Auckland NEW ZEALAND TRIBUNE in English 10 Feb 86 p 11

[Article by Jan Farr: "The People Were Just Like Us"]

[Text]

"WE want to raise public awareness about East Timor. Many people don't know about it. There is a media ban all over the world," Emilia Pires told *Tribune*. She and Isabel Barbos are two of the 15,000 expatriate Timorese who either fled the Indonesian invasion in 1975 or have since escaped from the torture and cruel repression of Indonesian rule.

The United Nations Secretary-General has had a mandate to find a solution for East Timor since 1982. In that time he has spoken only to Indonesia and to Portugal. Portugal granted East Timor independence in 1975 after 500 years of colonial rule and, after a visit from Henry Kissinger and US President Gerald Ford, Indonesia brutally invaded in December of that year, so neither country has any valid claim to East Timor.

The Timorese whose country it rightfully is, have not been included in talks. The UN Secretary-General has been given another 12 months to find a solution "... and so it is urgent for us to encourage him to do something about including the East Timorese." said Emilia.

Emilia was 14 at the time of the invasion. "About 1200 of us got out in a Norwegian cargo ship--it took all of us to Australia. We didn't think we were going so far away or for so long. We locked our house and took only the keys."

Since then the news from their homeland has been through smuggled letters, the Portugese language pirate radio coming from East Timor, or through those who have managed to leave.

To get relatives out of East Timor bribes of nearly $12,000 are needed. Jakarta Airport has what is known as the Seven Gates to Freedom. At each airport gate the departee must pay bribes of at least $1000.

Many of those left in East Timor have been resettled into concentration camps along the road. They are unable to live off the land and unable to leave their homes. The Portuguese language—the communicating language in this country of 33 different languages—is forbidden and Indonesian is taught in schools. The quality of schooling has deteriorated sharply. Torture is common and well documented by Amnesty International.

Australia's Bob Hawke shocked his own Labour Party, the East Timorese and the Portuguese by completely breaking with Labour Party policy when Indonesia invaded. When he went on Indonesian elevision in 1985 and said that ndonesia had sovereignty over East Timor, Portugal withdrew its ambassador to Australia.

"Portugal neglected to develop the country, but didn't suppress it in the way the Indonesians are doing," said Emilia. She believes that if the Indonesians had taken a different approach, the East Timorese may have accepted their rule, ". . .but the Timorese could never now accept the Indonesians," she said.

With the rest of their people the women support the outlawed East Timorese political party, FRETELIN, now based in Lisbon and represented internationally by Jose Ramos Horta.

They told *Tribune* of a recent visit by the Australian Ambassador to Indonesia and an MP who were told as they passed the bitter, unsmiling East Timorese: "These East Timorese are a very different kind of people." However, Emilia said: "We have movies of before—just home-made movies —and people were just like us." ■

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CSO: 4200/795

BERNAMA REPORTS LAUREL PRESS CONFERENCE ON SABAH

BK030749 Kuala Lumpur BERNAMA in English 0732 GMT 3 Mar 86

[Article by Kuah Guan Oo)

[Text] Manila, March 3 (BERNAMA)--Philippine Prime Minister Salvador Laurel Monday said his new government will face the claim for the East Malaysian Sabah State "frontally" and that the problem "will be resolved under this administration."

"That is one nagging problem which this administration will resolve once and for all... One way or the other," he told his first press conference as foreign minister here. Laurel is also the vice-president of the week-old Aquino government.

Former President Ferdinand Marcos had announced that his government would drop the claim when he attended the second Association of Southeast Asian Nations (ASEAN) summit in Kuala Lumpur in 1977. He had said that he would take the necessary "administrative step" to drop the claim.

However, he had not done so, leaving the Sabah claim an irritant in relations between the two countries.

The Philippines' claim to Sabah remains in the Baseline Act, an appendix to the Marcos constitution of 1972 which defines Sabah as part of Philippine territory. The Baseline Act was an amendment to the Marcos constitution, initiated by former Foreign Minister and MP Arturo Tolentino.

On ASEAN, Laurel said; "I believe in ASEAN and we therefore intend to strengthen the position of the Philippines vis-a-vis ASEAN.

"We intend to have closer relations with all ASEAN countries."

ASEAN groups Indonesia, Malaysia, Singapore, Brunei, the Philippines, and Thailand.

Laurel said he would "personally support" the idea of convening an ASEAN summit in Manila this year, but he would have to discuss it with President Aquino.

"ASEAN is important to the Philippines," he added.

He said his government will send its foreign minister to participate in the ASEAN foreign ministers' meeting in Bali in April which will be attended by U.S. President Ronald Reagan.

The Philippines, he said, would also attend the Tokyo summit in May although he has not received details of the meeting.

He also said that neither he nor President Corazon Aquino has any plan to visit the ASEAN capitals in the near future. He however, would consult the chief executive on the matter.

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CSO: 4200/796

MALAYA CRITICIZES AQUINO CABINET APPOINTMENTS

HK120341 Quezon City ANG PAHAYAGANG MALAYA in English 1 Mar 86 p 4

[Editorial: "Cory Appointments"]

[Text] The appointments of President Corazon Aquino of the top men to help her run the government leave much to be desired. The conclusion people draw from the President's choices is that there is a dearth of good men in the Opposition camp.

For instance, observers are pointing to the three top posts now held by Vice President Salvador Laurel, who is simultaneously prime minister and foreign affairs minister. Ditto with Mr Ernesto Maceda who holds three important positions, those of the ministries of natural resources, energy, and the presidency of what could probably be the richest and only earning government corporation at this time, the Philippine National Oil Company.

There is no intention here to cast doubts on the competence of the two gentlemen nor denigrate their abilities. And most certainly, Mrs Aquino must have her reasons for these multiple appointments though many people are in the dark about them.

The retention of Central Bank Governor Jose Fernandez would have been more plausible if former Prime Minister Cesar Virat had also been retained, since the two gentlemen have been involved neck-deep in international loan negotiations to bail this country out of a run-away economic crisis. As it is, beliefs are being openly expressed in some quarters regarding the political considerations of Mr Fernandez' re-appointment.

Still and all, the new President is entitled to that benefit of the doubt the people would like to repose in her and attribute the highest degree of sincerity and good intentions for her decisions. For all we know, these appointments could be very temporary and once things really settled back to normal, she would name more people in a more or less permanent capacity to help the administration. When she does this, it is hoped the people power which made her ascension to the presidency possible will not be forgotten. The peasant farmers, laborers, and fishermen would know their interests are also hers if they are represented in the Cabinet.

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CSO: 4200/806

PHILIPPINES

ANTI-MARCOS COLUMNIST CITES 3 EFFICIENT AGENCIES

HK120339 Quezon City ANG PAHAYAGANG MALAYA in English 1 Mar 86 p 7

["Business Views" column by Jake Macasaet: "Three Exceptions"]

[Text] Many of the ministries of the Marcos government are said to be "cans of worms." Notable among them is the Ministry of Human Settlements [MHS] headed by Mrs Imelda R. Marcos but ran by her deputy, Jose Conrado Benitez. However, there are three agencies under this little empire of the former "steel butterfly" whose efficiency and integrity can compare with the best under any administration.

While Carmen "chitang" Guerrero Nakpil has never denied her unqualified support for former President Marcos and his wife, she has kept the operations of the Technology Resource Center [TRC] from the inroads of politics. That, obviously, is the reason why the overseas Economic Cooperation Fund (OECF) of Japan continues to support TRC. TRC accounts for more than 80 percent of the funding of prawn farms. And prawns have become one of the major sources of foreign exchange in the aquaculture sector. The loan defaults in TRC is an incredible 3 percent, a rate much lower than the entire banking system.

The other agency under the NHS that is performing creditably is the Guarantee Fund for Small and Medium Enterprises. What is not widely known is that this agency is only nominally supervised by the MHS. It is effectively run by a board which, while dominated in number by representatives of government, is operating like a private corporation.

The fund has laid the basis for the development of small agri-based enterprises and has proven to the local financial world that the development of agriculture cannot be subjected to market rates of interest.

Doubts have been publicly expressed about the Pag-Ibig fund [Housing Fund]. Again, little is known about how the fund was able to create a secondary market for home mortgages. This market is the only permanent solution to the mass housing problems of the country. Before the fund was created, low cost housing construction has always been bugged by the fact that the financial institutions have never been able to sell the loan or mortgage documents because there was no secondary market. The Pag-Ibig fund created a market which was initially the National Home Mortgage Finance Corp. Th NHMFC has unloaded its huge inventory of mortgages to the financial institutions--the real and meaningful secondary home mortgage market.

Apart from these three agencies under the Ministry of Human Settlements, very few--if there are any at all--are free from corruption and politics. The new leadership must first examine their operations before moving for their abolition. Their only misfortune is being under the Human Settlement Ministry of Mrs Marcos.

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CSO: 4200/806

MALAYA COLUMNIST SAYS 'HONEYMOON' WITH AQUINO OVER

HK130843 Quezon City ANG PAHAYAGANG MALAYA in English 3 Mar 86 pp 4, 6

["Now and Then" column by Jose J. Burgos Sr: "Master Plan of Action"]

[Excerpt] Pardon me, Madame President, but should you not call your Cabinet members and other advisers to an emergency meeting to map out a systematic and comprehensive master plan of action? From where I sit, I have noticed that all is chaos and confusion among the topmost echelons of your shining, brand-new administration. The Cabinet members appear to be running against each other, each doing his own thing, independent of the rest, each behaving like a powermad little Hitler.

You, as Chief Executive, must crack the whip. You must institute order and system in the running of the various affairs of the government. Otherwise, there will only be noise, confusion and bedlam.

We are not claiming that MALAYA is today's biggest newspaper, but in the last few days, we have been printing more and more copies every day in all three editions. The orders from newspaper dealers around the country keep on piling at an astronomical rate, and all the six private printing presses being utilized can no longer keep up with the phenomenal public demand. Help!

Now, as the president-publisher stated during the Julie Yap Daza talk show "Tell the People" at Channel 9 the other night, MALAYA's honeymoon with oppositionist Cory Aquino-Doy Laurel setup is over. The opposition, thru People Power, has been converted into the ruling administration. So, in keeping with the ideals for which this newspaper was established, MALAYA has started firing broadsides at the new President and her government, finding faults, exposing abuses, and taking them to task for falling short of the people's expectations. All in the spirit of constructive criticism, of course.

Defense Minister Juan Ponce Enrile, one of the two military heroes of the four-day revolution, should explain the mysterious release of Laoag City Mayor Rodolfo Farinas who was arrested last Thursday when soldiers discovered a cache of high-powered firearms from two of his three cars parked at Camp Crame.

The PHILIPPINE DAILY INQUIRER played up Farinas arrest as part of an alleged plot to assassinate the defense minister, General Fidel Ramos and President Cory Aquino. Even if the military authorities could not pin the Laoag mayor and his nine bodyguards to the assassination plot, he could have easily been charged with illegal possession of firearms. But the city mayor was inexplicably released, according to military sources, on orders of Enrile, and the high-powered firearms returned to him, after his possession of them was validated through the issuance of antedated Mr [expansion unknown]. The report I received is that Farinas, the No 1 Marcos fanatic in Laoag and in the entire Ilocos Norte was set free after he reportedly promised to help turn in other Marcos partisans to the New Armed Forces.

But this justification is quite fishy. It lacks all the elements that make up for veracity.

The Cory-Doy leaders in Laoag City are not happy that Farinas was released so easily and, worse the 16 deadly assault weapons were returned to him. The opposition leaders, who were terrorized and hunted by Farinas and his goons on election day, are deathly afraid the guns will be used on them. Under Marcos, they were relentlessly hounded; under Cory, will they continue to suffer the same fate?

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CSO: 4200/806

LAUREL BACKS ASEAN STANCE ON CAMBODIA

BK090458 Manila PNA in English 0445 GMT 9 Mar 86

[Text] Manila, March 9 (PNA)--The new Philippine Government has called on Vietnam to "respond positively" to the ASEAN-backed proposal for a peaceful solution to the Kampuchean problem.

Foreign Minister Salvador Laurel said the proposal, aired by the Coalition Government of Democratic Kampuchea (CGDK), reflects the desire of ASEAN countries for regional peace and stability.

He said he issued the statement in behalf of ASEAN as chairman of the ASEAN Standing Committee.

The 17-year-old ASEAN groups the Philppines, Thailand, Indonesia, Malaysia, Singapore, and Brunei.

Laurel, also vice president, hailed the CGDK for reaffirming its readiness to negotiate with Vietnam the basic elements of a just and lasting settlement of the Kampuchean problem.

He likewise stressed the importance of national reconciliation of the Kampuchean people, free from external interference, as an essential element to such a settlement.

In his statement, Laurel said the ASEAN states welcome the CGDK proposal and fully share with its views for a durable solution to the Kampuchean problem.

"The ASEAN member states sincerely hope that Vietnam will respond positively to the CGDK's proposal," Laurel said.

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CSO: 4200/796

MARCOS STILL BACKED BY SOME FILIPINOS IN HONG KONG

HK090614 Hong Kong SOUTH CHINA MORNING POST in English 9 Mar 86 p 7

[Text] Leaders of the Philippine community in Hong Kong estimate about 25 percent of them still support ex-President Ferdinand Marcos.

And many Filipinos are unsure what the future under the new government of Mrs Corazon Aquino will bring them.

Arturo Abina, who founded the Hong Kong Domestic Helpers' Union, said he would give the new government 6 months to prove itself.

Mr Abina said a quarter of the Filipinos in Hong Kong still support Marcos, a figure also quoted by Ms Esther Bangawayan, a spokesman for [words indistinct] people from five provinces in the Philippines.

One reason for this might be that about 80 percent of Filipinos in Hong Kong come from Marcos' home region of Ilocos.

Ilocos is a beautiful area, but has high unemployment. Many Ilocanos are prepared to pay extortionate agency fees to find themselves jobs abroad that bring in several times the wage they would earn in the Philippines.

Mr Abina said Filipinos here have been scared by rumours since the demise of Marcos. One story claimed Mrs Aquino would ask overseas workers to return to the Philippines.

But Mr Abina dismissed this as "most unlikely."

Filipinos working in Hong Kong also fear their taxes will be increased. But Mr Abina said: "I don't mind that so much if our money goes to the right people. We're eager to help our country, but we don't want the money to go into the pockets of people working for the government."

Mr Abina said workers' dealings with the Philippine Consulate in Hong Kong had "improved 200 times" since the new administration took power in Manila. He said staff have been treating Filipinos more courteously.

However, Unifil, an umbrella organisation covering 13 Filipino groups in Hong Kong, has filed a demand with the Manila government asking for a change of consulate staff in Hong Kong.

The officers at the consulate have formally offered their resignations, as is normal after a change of government.

Imelda Laguindon, president of the Association of Concerned Filipinos, said: "People at the consulate are rude and treat domestic helpers badly."

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MEDIA ALLEGE LACK OF ACCESS TO AQUINO

Foreign Media Complaints

HK100756 Hong Kong AFP in English 0726 GMT 10 Mar 86

[Text] Manila, March 10 (AFP)--The hundreds of foreign journalists, most of them American, who poured into the Philippines to cover the presidential poll that turned into a revolution are finding that covering an administration is not the same as covering the opposition.

Complaints are numerous, but so far to no avail.

"When you needed us, you used us," an American television cameramen argued Monday when barred from covering President Corazon Aquino's first meeting with Australian Foreign Minister Bill Hayden.

"This is not fair, only local press have been allowed in, this is the thanks we get."

Palace press staff and security guards were unmoved, and gave the same treatment to Australian journalists travelling with their foreign minister, barring them even from taking shots of Mr Hayden looking at the looted rooms of the palace from which then-President Ferdinand Marcos made his escape.

The local press have also had complaints. The strongly anti-Marcos PHILIPPINES INQUIRER declaring on its front page over the weekend that it would not carry any more photographs of Mrs Aquino in the palace guest house because they had to "beg" them from foreign wire services.

Monday foreign wire services were no luckier than the rest, with all but one who palace staff said "sneaked in" having to settle for pictures of Mr Hayden alone after his meeting.

Media officials, many of them amateur volunteers, are pleading for time to reorganize.

Rene Saguisag, the human rights lawyer turned presidential spokesman, has taken much of the burden of the press from an information minister preoccupied with trying to track down equipment and funds from the old government TV stations.

"It's chaotic here," he said. "We don't even know where the telephones are," he said apologetically waving at the green carpeted rooms of the guest house, which will be Mrs Aquino's headquarters.

The main complaint of the volunteers who man the presidential press conference is simply, "there are just too many of you."

But for journalists and cameramen who spent four sleepless days and nights to bring the civilian backed military revolt here last month alive for the world, the taste of the aftermath is bitter.

Manila Newspapers Complain

HK080734 Hong Kong AFP in English 0716 GMT 8 Mar 86

[Text] Manila, March 8 (AFP)--President Corazon Aquino and her media bureau came under fire in the local press Saturday for allegedly favouring foreign correspondents at the expense of Filipino journalists.

Both the daily INQUIRER and the MALAYA newspapers, previously strongly opposed to deposed President Ferdinand Marcos, complained that local journalists were being barred from events that foreign newsmen were allowed to cover.

The INQUIRER Saturday complained that local photographers had not been allowed to attend the swearing-in Friday of new cabinet ministers by Mrs Aquino.

In a boxed front-page comment signed "the editors," the INQUIRER said that "for some unexplained reason" Filipino press photographers had been barred from covering official events inside the presidential palace complex.

They had been left to "beg" for pictures from wire services, and had decided not to use pictures from the palace not taken by the newspaper's own photographers.

A cartoon inside the newspaper showed two Filipino photographers standing disconsolately outside closed palace gates bearing a sign "only foreign press allowed," with the caption "I thought Marcos left already."

The MALAYA's criticisms were more sweeping, complaining of confusion at Mrs Aquino's media bureau, with no clear idea of who will be in charge, or who decides which newsmen should be allowed to cover what events.

It noted that Mrs Aquino had given exclusive interviews to foreign news organisations, none to local media, and that foreign newsmen seemed able to enter the press room at her temporary headquarters at will, while others were barred.

The author of the article, journalist Larry Sipin, complained that he had been told "not to expect special treatment" at the press room.

"It is not special treatment we ask. Neither do we feel Mrs Aquino owes us anything. It was the people who brought her to power, not us.

"But it was persevering local newsmen who reported on that people power and they deserve some measure of decency."

During Mrs Aquino's campaign for the February 7 presidential election, other Manila newspapers gave little coverage to her activities, and it was largely MALAYA and the INQUIRER which provided her access to the local media, observers said here.

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PROSPECTS FOR MUSLIM AUTONOMY TALKS VIEWED

HK101158 Hong Kong AFP in English 1128 GMT 10 Mar 86

[Text] Manila, March 10 (AFP)--Hopes seemed high on all sides for a start, perhaps this week, to talks between the new Philippine Government and Moslem leaders seeking regional autonomy.

(A three-member delegation of the Moro National Liberation Front (MNLF) is to leave Singapore for Manila Tuesday to lay the groundwork for the talks, M.Y. Abbas, political and foreign affairs chairman of the MNLF faction headed by Commander Dimas Pundato, told AGENCE FRANCE-PRESSE in Singapore Monday.

(Mr Abbas added in a telephone interview from Kuala Lumpur that he, Cmdr Pundato and five other MNLF leaders would travel to Manila on Friday for substantive talks on "meaningful autonomy" for the predominantly Moslem 13 provinces of the southern Philippines.)

Philippine Defence Minister Juan Ponce Enrile's special envoy Colonel Hernani Figueroa told AFP on Thursday he had met with Cmdr Pundato and Mr Abbas in Kuala Lumpur and was "optimistic" that they would travel to Manila.

(Mr Abbas on Monday also expressed optimism about the talks, saying, "from all indications, I think they are sincere, and we are sincere."

(But if for any reason the talks failed, he said, "I will remain in the country and fight it out politically. It is a new government."

(The talks, he stressed, must be based on the December 1976 Tripoli Agreement on autonomy for the south under which only foreign affairs and national defense would remain in the hands of the Manila government.)

The Tripoli Agreement was forged between the MNLF and ousted President Ferdinand Marcos when a bloody campaign for independence in the south reached a stalemate, tying up almost half the Philippine Army and leaving more than one million refugees in camps.

The MNLF signed the accord under Arab pressure, but implementation of the agreement collapsed, with the Moslems accusing Mr Marcos of bad faith, deepening factionalism within the MNLF, and renewed calls for a completely separate state.

Now, with Mrs Aquino apparently sincere, the MNLF factions appear to be trying to beat one another to the negotiating table.

Nur Misuari, whose Tripoli-based faction claims to have wide international support has also said he is considering returning to the Philippines for talks with President Corazon Aquino.

(In Singapore, Mr Abbas said Monday his delegation would include Commander Julius Amer, vice-chief of staff of the Bangsa Moro army and a former ally of Nur Misuari, who Mr Abbas said is now isolated, having been deserted by his key aides.

(The preliminary delegation members were identified as Napis Bidin, MNLF secretary-general, Abdullah Sangcopan, also known as Commander Diego, chairman of the Lanao del Norte Revolutionary Committee, and Commander Mohamad Farook Hassan, chairman of the South Cotabato Revolutionary Committee.

(They are to be accompanied by Col Hernani Figueroa, who carried Manila's official invitation to the MNLF leaders, Mr Abbas said.)

However, much remains uncertain as the negotiations get underway, including how many of the estimated 30,000 MNLF troops claimed under arms owe their allegiance to the faction leaders.

Mr Abbas' brother, Sultan Firdhausi Abbas, also said many Moslems are alarmed at the total absence of Moslem appointees in the Aquino Cabinet and her close ties with the Christian church.

He added that he is afraid the communist New People's Army, which is taking a more wary approach to Mrs Aquino's offer of negotiations, may try to sabotage any talks between the government and the Moslems which they fear could free up the "whole Philippines Armed Forces" to attack the communists.

Moreover, terms of the autonomy agreement, despite the provisions of the Tripoli accord, are far from clear, and negotiations are expected to be drawn out and possibly marred by further leadership struggles within the MNLF itself.

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NUR MISAURI INSISTENT ON MUSLIM INDEPENDENCE

HK120539 Hong Kong AFP in English 0525 GMT 12 Mar 86

[Text] Manila, 12 Mar (AFP)--Libya-based Filipino Moslem rebel chief Nur Misuari still insists on independence for his people and is awaiting the first moves of President Corazon Aquino on the issue before entering into any talks with her new government, a spokesman said here.

The spokesman of Mr Misuari, who is chairman of the Moro National Liberation Front (MNLF), denounced in an interview here Tuesday forthcoming negotiations between the government and an MNLF faction favoring political autonomy for the country's Moslem minority. The spokesman is a ranking MNLF official who used the alias Amir Hassan. He described himself as director of the MNLF Institute on Policy Studies, and aides who were with him in the interview with AGENCE FRANCE-PRESSE at a restaurant here addressed him as "director."

"As far as we are concerned, our goal is still for self-determination and independence," said Mr Hassan, 33, denying a former Misuari aide's claim that the MNLF chief was prepared to return from exile if the new government guaranteed political autonomy for Moslems. Mr Hassan said he talked with Mr Misuari recently on the issue.

Mrs Aquino had pledged in her campaign for the 7 February presidential election to enter into talks leading to Moslem autonomy in southern Philippines. Popular outrage over the poll frauds led to the downfall of strongman Ferdinand Marcos 25 February.

Defense Minister Juan Ponce Enrile, whose mutiny against Mr Marcos helped install Mrs Aquino in power, has initiated negotiations with an MNLF faction that has dropped separatism in favor of autonomy for 13 Moslem-dominated provinces, mostly in Mindanao Island. The faction's leaders, Diamas Pundato and Macapanton Abbas, are scheduled to arrive here Saturday with a military official sent by Minister Enrile to bring them home from exile in Malaysia.

A third MNLF faction led by former MNLF Vice Chairman Hashim Salamat, who is also based abroad, has also opted for autonomy. Sources said all three factions claim a total armed strength of 40,000.

The pro-autonomy factions are pressing for the full implementation of a 1976 Tripoli ceasefire agreement between the Marcos government and the MNLF, which provides for autonomy of Moslem regions except in national defense and foreign affairs. Mr Hassan said in the interview that the agreement was vague and needed to be changed with a more detailed one in MNLF-government talks that should be mediated by the Organization of Islamic Conferences (OIC).

The MNLF and the Marcos government accused each other of violating the terms of the agreement. Hostilities resumed in the late 1970's but never reached the massive scale of the mid-1970's, whem most of the conservatively estimated 60,000 to 100,000 fatalities died in semi-conventional warfare.

Mr Hassan said the Misauri faction had decided to "wait and see" after Mrs Aquino's victory before considering any talks with her government. He expressed wariness over the strong influence of the Roman Catholic Church, the military and the elite in the government of Mrs Aquino, who comes from a wealthy landowning family. There are at least five million Moslems out of a predominantly Roman Catholic population of more than 54 million in the Philippines.

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SALAPUDDIN: ONLY MNLF HQ CAN NEGOTIATE PEACE

HK140132 Manila PHILIPPINE DAILY INQUIRER in English 12 Mar 86 p 17

[Article by Mario O. Feliciano Jr.]

[Text] Zamboanga City--The Mindanao conflict can only be resolved through direct peace negotiation by the new government with the Moro National Liberation Front (MNLF) at the Islamic Conference in the Middle East.

This is the firm stand of the MNLF Central Committee in Jiddah, Saudi Arabia, according to Regional Executive Council Member Gerry Salapuddin, erstwhile MNLF Revolutionary Chairman in Basilan Province, who earlier received a long distance call from MNLF Secretary General Abdulbaki Abubakar, official spokesman of MNLF Chairman Nur Misuari.

Salapuddin said that any move within the MNLF ranks in the country to negotiate with the new government for the solution of the Muslim insurgency in Mindanao will not succeed, unless such a peace negotiation will be coursed directly to the Islamic Conference where Muslim countries give due recognition to any peace accord entered by a certain government with its Muslim rebel movement.

However, any attempt by their splinter groups to reach an agreement with the new-government for any concession or consideration is not being discouraged, he said.

At the same time, Salapuddin mentioned the discontentment of many Muslins in Southern Philippines for alleged oppression and exploitation of their homelands by some powerful and influencial groups for many long years and for this reason alone the Muslim insurgency in Mindanao will never cease.

He also called on the new administration to take into serious consideration of the many appointments to public offices in the government, especially in the autonomous government of the two regions IX and XII. He said that only legitimate MNLF members should be given preference to fill up positions in the autonomous government within the context of the Tripoli Agreement.

The regional executive council member also lauded the implementation of the firearm ban and the dismantle of private armies by the Ministry of National Defense.

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TWO 'ALMOST-FORGOTTEN' EXILES RETURN FROM PRC

HK140301 Hong Kong AFP in English 0256 GMT 14 Mar 86

[By Kate Webb]

[Text] Manila, 14 Mar (AFP)--As top political prisoners were freed and formed anti-Marcos campaigners returned from America to the glare of TV lights this month, two almost-forgotten men in their mid-30's slipped in through Manila airport.

Their names were Ericson Baculinao and Chito Sta. Romana, who had left the Philippines in August 1971 on a three week tour of China. Then student activists, they had no idea that the three weeks would stretch into 15 years.

The Vietnam War was still raging and the young activists had taken to the streets in one of the Philippines' greatest sports, demonstration.

In Manila a grenade explosion on the speakers' platform of a Liberal Party rally left carnage--nine dead and 21 injured.

President Ferdinand Marcos--not the Liberals--blamed activists, and of the 15 students on the China trip, five found their names on a blacklist. The other three were Rey Tiquia, Jimmy Flor Cruz and Grace Punongbayan, sole girl.

Friends wrote: Don't come back, and the five decided to take their advice.

Shortly afterwards, the writ of habeus corpus was suspended, and in 1972 Mr Marcos declared martial law.

Mr Baculinao, when he left was 20 and had embarked as a freshman on a law degree after finishing a political science course at the University of the Philippines. His young wife was in Manila, pregnant with their first child.

The weeks stretched into months and years. They learned Chinese, took university courses, did translation work for the Chinese Government, got used to the bitter winters, and watched the political situation in the Philippines.

Occasionally there were feelers from the Marcos family--"All that's needed is a letter, come home and join the government."

None of them did.

Their passports expired, and one by one they started trickling off. Rey Tiquia married and went to practice acupuncture in Australia. Jimmy Flor Cruz found a job with TIME magazine, Grace Punongbayan went to Europe.

Sitting in a Manila coffee shop Thursday, Mr Baculinao said he kept on travelling, getting to know China, turning down the feelers, working on his translations and eventually landing a job with the U.S. NBC Television Network in Beijing.

He would leave his two-room, second floor apartment each morning to job, return to work on the translations, put the afternoons in at the NBC office, eat in his apartment house canteen, play basketball Sundays.

Mr. Sta Romana married. His own wife in the Philippines remarried, the daughter he had never seen grew up.

In the United States, he heard, the "steak commandos" led by Raul Manglapus were planning and organizing the Western exiles into a front against Mr Marcos. But he heard it by radio. Mr Mangalapus has since returned and Mrs Aquino has released large numbers of top political prisoners.

"The first two years were the worst," in China, he says now, "then I got used to the life style, and China started changing to what it is now, where you can say anything you like," said Mr Baculinao, now 34.

As soon as a civilian-backed military "people's revolution" succeeded last month, ousting Mr Marcos, who fled to Hawaii, he was at the airlines office, equipped with a false passport.

Then at 10 o'clock on a below-zero Beijing winter's morning of March 2, as Filipinos were pouring into a downtown park for a massive thanksgiving rally, he handed his down jacket to a friend who might need it and boarded a Philippine Air Lines flight for Manila.

He and Mr Sta. Romana were met by a handful of relatives at the airport, joking that their haste had cheated them out of a rally size welcome by old friends.

Now, after getting a stomach ache from the long-missed Filipino food, unlearning how to eat with chop sticks, remeeting friends and getting to know his daughter, he says he is trying to get to know the Philippines again.

"Now just going into a supermarket is difficult. There are so many choices, Ife here has so many choices. Everything in Beijing is simpler, the pace of life there is slower.

How to pick up his life now? He says he has yet to decide--maybe teach, maybe use his China knowledge, possibly for the Foreign Ministry.

But one thing he does know: "I will live in the Philippines, there's a lot to be done here, this is my country."

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CSO: 4200/806

MANILA PC REORGANIZED, APPOINTMENTS MADE

HK121553 Manila TIMES JOURNAL in English 12 Mar 86 pp 1, 6

[Text] The PC [Philippine Constabulary] Metropolitan Command (METROCOM) was formally dissolved yesterday by Brig Gen Renato S de Villa, acting PC-INP [Integrated National Police] chief and in its place created the PC-INP Capital Regional Command.

De Villa gave Brig Gen Ramon Montano, acting METROCOM chief, a free hand in organizing the new unit, which was created to take over the METROCOM's functions and responsibilities.

Montano was earlier designated acting PC-METROCOM chief and acting commander of the Metropolitan Police Force last 26 February by Armed Forces Chief of Staff Gen Fidel V. Ramos to replace Maj Gen Prospero Olivas.

Immediately upon assuming command of the unit yesterday, Montano revamped his staff and named the following:

Col Remeo Zulueta, deputy commander; Col Emiliano Templo, chief of staff; Lt Col Leonardo Orig, personnel chief; Lt Col Rex Piad, intelligence chief and chief of intelligence security group; Lt Col Edgar Aglipay, operations chief; Maj Gerardo Hilomen, logistics chief; Col Reyaldo Dino, plans chief; Lt Col Domingo Zacarias, comptroller; and Maj Cesar Yulo, commander of the reaction strike force (RSF).

Montano also named the following as sector commanders, Lt Col Vicente Raval Jr (Southern), Lt Col Danilo Flores (Northern), Lt Col Hercules Cataluna (Eastern) and Lt Col Rolando Garcia (Western).

The PC-METROCOM was created in 1967 as a special unit to check the rising incidence of crimes in the Greater Manila area.

The command started with about 300 officers and enlisted men.

It was then equipped with the few mobile cars, some jeeps, and a minimum of signal communication equipment, and operated as a special task force in the GMA.

On 16 February 1968, Executive Order 120 expanded the PC-METROCOM to include attachments of personnel from other units of the armed forces and its strength grew to 1,700 officers and men.

With the attachment of other military personnel from other AFP [Armed Forces of the Philippines] units, GHQ-AFP took over administrative and operational control of the command.

But on 1 July 1970, METROCOM control and supervision reverted to the PC chief.

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MILITARY SAYS WESTERN MINDANAO FREE OF LOYALISTS

HK121601 Manila TIMES JOURNAL in English 12 Mar 86 p 3

[Article by Manny Jaldon]

[Text] The unity of the Armed Forces of the Philippines in Western Mindanao is unquestionable and was proven in the maintenance of peace and order even during those fateful days in February when the old order gave way to the new, Southern Command Chief Brig Gen Jose P. Magno, Jr said recently.

Magno said he has assured AFP [Armed Forces of the Philippines] Chief of Staff Gen Fidel V. Ramos that no loyalist groups of the past administration are found in Region 9 and that all military commanders have renewed their pledge of allegiance to the new republic.

Magno has gone to various places under the jurisdiction of his command explaining to the soldiers the challenges of transition facing the nation and calling for unity.

Magno was in Jolo, Sulu this week as guest of honor during the turnover of command of the 1st Infantry (Tabak) Division from Brig Gen Mariano Miranda to Brig Gen Rodolfo Tolentino.

While there, Magno met with Sulu Governor Tupay Loong, mayors, the religious sector and other military commanders in a short dialog where he bared the need for continued cooperation to achieve the aims of reconciliation and unity.

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MANILA-BASED TROOPS DEPLOYED TO FIGHT NPA

BK050700 Manila PNA in English 0651 GMT 5 Mar 86

[Excerpts] Manila, March 5 (PNA)--Military authorities had deployed an army battalion in the Bicol region following last Monday's ambush-killing of 12 policemen and five civilians.

Military spokesman Col Luis San Andres said the battalion is composed of 26 officers and 523 troops trained in counter-insurgency operations.

He said the battalion was pulled out from Metro Manila where there had been a heavy concentration of troops following a military revolt last February 22.

San Andres said armed forces chief Gen Fidel V. Ramos had ordered the deployment of troops from Metro Manila to the countryside to fight the rebels.

Before the rebellion, San Andres said, deposed President Ferdinand Marcos had ordered the movement of troops to Metro Manila for undisclosed reasons.

Monday's ambush was staged by the rebels while the victims were on board a heavy duty truck.

The incident was the first launched by the outlawed communist New People's Army since President Corazon Aquino took her oath of office last February 25.

Aquino had already released some 400 political prisoners, including those tagged by the military as hardcore communist leaders and followers.

But the United States Government and the military reportedly opposed freeing Sison and Buscayno because it would give them an opportunity to push through their communist movement in the Philippines.

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CSO: 4200/796

BINONDO CB OPERATIONS, GOVERNMENT CONNECTION DETAILED

HK120933 Quezon City ANG PAHAYAGANG MALAYA in English 5 Mar 86 p 7

["Business Views" Column by Jake Macasaet: "Binondo CB Must Stay"]

[Text] Asked what the Aquino government proposes to do with the alternative source of foreign exchange called the Binondo Central Bank [CB], Finance Minister Jaime V. Ongpin simply replied that he had heard about it but he is not familiar with the details of its operations. That is the understatement of the year. As a businessman who had been keenly watching fiscal and monetary developments under the discredited Marcos government, Ongpin knew what the Binondo CB is all about. His silence about it might only indicate that he does not have objections.

Jaime has bitterly criticized his elder brother Roberto, former minister of trade and industry and member of the Monetary Board, for bailing out collapsed companies of the Marcos cronies. But he has remained silent on the patently illegal operation of the Binondo CB. Which means that the younger Ongpin might have accepted the practical necessity of the government being involved in foreign currency smuggling.

Obviously, the Monetary Board headed by CB Governor Jose B. Fernandez tacitly supports the illegal operation. For how can Monetary Board member Robert V. Ongpin be running the operation almost three years without CB consent? The brothers Roberto and Jaime Ongpin are close friends of Fernandez as far all their respective ethics are concerned.

What many people do not know is that the objection to the Binondo CB comes mainly from the direction of a large group of Chinese dollar smugglers. They lost a multi-million business when Roberto Ongpin organized them into a pool and required them to sell their daily purchases only to qualified importers with a relatively small mark-up of around 50 centavos to the dollar. If the activities of the Chinese currency smugglers had not been contained, the dollar may now cost as much as P35-P40 in the blackmarket.

The original members of the Binondo pool were Go Poc, John Lim, alias Sio Lim and his two sons, Thomas and Alex; Peter Uy and his father Uy Pai Lo, alias Pilay and the husband and wife team of Florencio and Asuncion Coo, known to enjoy the protection of Fabian C. Ver.

When Roberto V. Ongpin was named to the Monetary Board, he caused the arrest of at least a dozen or so known currency smugglers--all Chinese. But the smuggling went on. He had a few more arrested, yet nobody was discouraged from the illegal trade. That was the time when he applied the old adage: "If you can't lick 'em, you join 'em." And the pool was organized.

The members of the so-called "magic five" cover the entire country. They are told every morning the rate for the day. They used to meet once a week in a place designated by Ongpin. The operation required iron fists. That is why Ongpin's personal safety had to be secured by a dozen heavily armed bodyguards. Enjoying the full confidence of Marcos, Ongpin had signed PDAs [preventive detention act] that he was authorized to serve on any erring member of the pool or anybody operating outside the pool. The PDAs were served very sparingly.

As repeatedly explained in this space, the purchases of the "magic five" were remitted daily to Hong Kong via the jet acquired by the National Development Co from Rodolfo Cuenca, a Marcos crony. The dollars were openly traded the following day at Rms 516 and 517 of the Equitable Bank Bldg on Juan Luna in Binondo.

Unless the Aquino government can find a more effective way of curtailing dollar smuggling, the Binondo CB must continue operating.

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CENTRAL BANK INVESTIGATING ISSUE OF TREASURY WARRANTS

BK050359 Manila PNA in English 0339 GMT 5 Mar 86

[Text] Manila, March 5 (PNA)--The Central Bank (CB) is investigating the massive issuance of treasury warrants by the deposed Marcos government for the February 7 elections without its prior approval. "We are in the process of determining who issued them and in what amounts they were issued," CB Governor Jose B. Fernandez said. Treasury warrants are checks issued by the government through the national treasury.

Fernandez said that these treasury warrants were issued by the government without the Central Bank or getting its approval. The warrants, considered the medium by which the government spends money, were apparently issued by the government after the CB turned down two requests made by the government for additional money from the CB amounting to 2.8 billion pesos (140 million U.S. dollars).

Fernandez said that sometime in December last year, the Marcos government requested a little over 1 billion pesos (50 million U.S. dollars) in advances from the CB which was approved. The request was granted in accordance with charter of the Central Bank which permits the government in the event it runs out of money to go to the CB and withdraw any amount not exceeding 20 percent of the average revenues of the government for the previous 3 years. Fernandez said that the government made additional requests but were, however, turned down by the CB.

Apparently in need of funds, the government issued treasury warrants. Fernandez admitted that the CB was not in a position to prevent the issuance of such warrants. He said the government could do this because the "process by which funds are spent by the government permits them to issue treasury warrants without consulting the Central Bank or getting its approval."

Fernandez said that although the Central Bank through the banking system was in a situation where it could honor or dishonor the warrants, it chose to honor them because of the serious repercussions involved. He said that a dishonor of any warrant would have caused the collapse of the credit standing of the government in this country.

According to Fernandez, to prevent such unwarranted issuance of treasury warrants in the future, there should be legislation to cover it.

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CSO: 4200/796

PHILIPPINES

BANKS' RESERVE DEFICIENCY REACHES RECORD HIGH

HK121503 Manila BUSINESS DAY in English 12 Mar 86 p 2

[Text] Reserves of the commercial banking system in January fell short of the required level by a record P4,213.1 million, as against a P759.4-million excess recorded in January 1985, according to Central Bank [CB] figures.

The reserve deficiency had been above the P3-billion mark since October last year. It was recorded at P3.65 billion in October, P3.19 billion in November and P3.20 billion in December.

CB Governor Jose B. Fernandez Jr has explained that reserve deficiencies are not an industry-wide problem and afflicts only a number of banks.

As of last January, banks were required to deposit with the CB 23 percent of their demand deposits, savings deposits and time deposits with maturities of less than 730 days; 6 percent of time deposits with maturities of more than 730 days; 5 percent of negotiable certificates of time deposits; and 10 percent of foreign deposits.

Based on these rates, banks must set aside P19,615.6 million of their total deposits of P102,448.9 million as received. In January 1985, they were required to keep P18,517.9 million out of the total deposits of P98,847.0 million.

The available reserves in January were only 20.10 percent of the total deposits, down from P19,277.3 million in January 1985 to P15,402.5 million.

Available reserves include banks' dues from the CB, cash on hand, investment in government bonds, and dues from foreign banks.

The bigger deficiency resulted from a rise in the required level as well as from a decrease in available reserves.

Required and Available Reserves Against Deposit Liabilities of Commercial Banks

(in million pesos)

Period	Deposit liabilities	Required reserves	Available reserves	Excess (deficiency)
1986				
January	102,448.9	19.615.6	15,402.5	(4,213.1)
1985				
January	98,847.0	18,517.9	19,277.3	759.4
February	98,948.4	18,580.4	18,609.5	29.1
March	96,311.1	18,188.7	15,235.7	(2,953.)
April	96,036.2	18,191.2	16,547.0	(1,644.2)
May	98,285.4	18,654.7	17,241.6	(1,413.1)
June	99,382.5	19,062.4	18,011.7	(1,050.7)
July	95,527.4	18,555.1	17,125.1	(1,430.0)
August	98,410.9	19,124.4	17,016.6	(2,107.8)
September	102,119.5	19,026.2	17,741.8	(1,284.4)
October	99,645.8	18,644.0	14,994.7	(3,649.3)
November	100,211.8	18,808.1	15,613.8	(3,194.3)
December	107,893.7	20,332.4	17,127.0	(3,205.4)

/8309
CSO: 4200/806

TOURISM INCOME ROSE OVER 38 PERCENT IN 1985

HK140128 Manila BUSINESS DAY in English 13 Mar 86 p 2

[Article by Geselle J. Militante]

[Text] Tourist arrivals decreased 5 percent last year but income from tourism rose surprisingly by 38.43 percent, from $366.25 million in 1984 to $507 million, the highest rate of increase in 10 years.

The Ministry of Tourism's planning services department could not reconcile the drop in arrivals, to the lowest level in eight years, with the sharp rise in revenues.

The Central Bank, from which the figures on tourist earnings came, also could not explain the jump in income.

Industry observers linked the revenue rise to the presidential elections held last month. They surmised that some of the dollars salted away abroad may have been brought back into the country in preparation for the polls and registered as tourism income to avoid detection in official figures.

Sources in the Tourism Ministry declined to comment on such speculation.

A source in the Planning Services Department said there was a change in the format of Central Bank questionnaire given to banks last year to determine accumulated tourism earnings for the year.

Another possible explanation is that the decline in the dollar blackmarket rate last year may have encouraged tourist establishments to turn in more dollars to banks.

The previous record in tourism income was for 1985, when the figure jumped 88.43 percent to $109.63 million. The same year registered the highest rise in tourist arrivals in a 10-year period. Arrivals in 1975 numbered 502,211, up 22.45 percent over the previous year.

Tourist Receipts
1984 to 1985
(in million U.S. dollars)

	1985	1984
January	71.26	27.36
February	46.19	31.47
March	48.25	39.34
April	37.46	21.00
May	44.00	21.84
June	31.56	28.15
July	42.31	24.98
August	56.19	23.83
September	44.97	21.41
October	29.84	23.84
November	27.82	40.48
December	27.15	62.55
Total	507	366.25

Source: Central Bank

/8309
CSO: 4200/806

PESO VALUE DECLINES 8.3 PERCENT FEB 86

HK131525 Manila BUSINESS DAY in English 13 Mar 86 p 2

["Economic Indicator"Column: "Peso Value Down by 8.3 Percent"]

[Text] The value of the peso in relation to the U.S. dollar declined 8.30 percent in February. from an average of P19.05 per dollar in January to P20.631 per dollar, according to reference rate data of the Central Bank.

The main reason for a peso depreciation is the deficit incurred in the country's balance of payments. Latest available data show the deficit for 1985 at $26 million, compared to $1.1 billion in 1984.

The peso also depreciated against other major currencies, such as the Swiss franc, Japanese yen, German mark, French franc, the Belgian franc, the Austrian schilling, Netherlands guilder, British pound, Canadian dollar, Singapore dollar. These currencies form part of the Philippines' international reserves.

Other acceptable currencies in the country that performed better than the peso include Australian dollar, Bahrain dinar, Malaysian dollar, Saudi Arabian royal, and Kuwait dinar.

Average Reference Exchange Rate
January and February 1986
(in pesos per unit of foreign currency)

Currency	February	January	Percent change
U.S. dollar*	20.631000	19.050304	8.30
Australian dollar **	14.449456	13.333413	8.37
Austrian schilling*	1.264319	1.111530	13.75
Bahrain dinar**	54.731281	50.525891	8.32
Belgian franc*	.433613	.381143	13.77
Canadian dollar*	14.693700	13.542796	8.50
Chinese renminbi***	6.416796	5.935599	8.11
Danish kroner	2.411438	2.130770	13.17
French franc*	2.897731	2.546013	13.81
Hong Kong dollar*	2.644881	2.440548	8.37
Indonesian rupiah	.018350	.016857	8.86
Iraq dinar	18.019231	16.649057	8.23
Italian lire	.013031	.011404	14.27
Japanese yen*	.112406	.095270	17.99
Kuwait dinar**	72.774350	65.875930	10.47
Malaysian dollar**	8.367513	7.795139	7.34
Netherlands guilder*	7.876781	6.932222	13.63
New Zealand dollar	11.040669	9.856430	12.01
Norwegian kroner	2.845919	2.524865	12.72
Saudi Arabian riyal**	5.651381	5.217922	8.31
Singapore dollar*	9.647275	8.942613	7.88
Spanish peseta	.139669	.123748	12.87
Swedish kroner	2.798900	2.511109	11.46
Swiss franc*	10.635763	9.227770	15.26
Taiwan dollar	.528100	.480017	10.02
Thailand baht	.782450	.725361	7.87
United Kingdom pound*	29.563188	27.201309	8.68
West German duetsche mark*	8.896794	7.811778	13.89

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* Currencies that form part of the Philippines international reserves

** Other acceptable currencies

*** Beijing exchange rate (REUTERS)

Sources: Central Bank

/8309
CSO: 4200/806

BRIEFS

GOLD SMUGGLING BLACKMARKET--Natural Resources Minister Ernesto Maceda said there has been rampant gold smuggling to Sabah and blackmarketing of gold in Manila. He said about P224 million in gold is taken out of the Philippines every year. Maceda said most of the smuggled gold is produced by panners in the gold-rich mines of Davao del Norte. The extent of the smuggling out of the country was reported to Maceda by Chamber of Mines Chairman Juan de Ibazeta and Commerce Chamber President Henry Brimo. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 13 Mar 86] /8309

CANADA INCREASES AID--Canada announced an increase in its aid committed to the Philippines to $5 million for three years from $2 million for the past two years. The aid from the Canadian International Development Agency (CIDA) will fund a $4.8-million, three-year program to support projects for improving living standards and employment opportunities of tenant farmers, squatters, landless rural workers, fishermen, urban poor, and cultural minorities, run by non-governmental organizations. The remaining $200,000 will go to a United Nations International Cultural and Educational Fund (UNICEF) project to buy food for 50,000 children suffering from malnutrition. Canada's External Relations Minister Monique Vezina said her government "has decided to expand its aid program to the Philippines." "This $5 million in assistance reflects our support for that new administration and confidence in the country's future," Vezina said. [Text] [Manila BUSINESS DAY in English 11 Mar 86 p 3] /8309

MANILA BULLETIN EDITORIAL ON NAME CHANGE--This newspaper has returned to its premartial law name of MANILA BULLETIN. In so doing, it reaffirms its dedication to the general welfare and to the ethics of journalism. Readers would have noted by now that this newspaper presents its views in all humility, never attacks other newspapers, and confines itself to the immense task of informing the public. With its coverage, it has been a reliable and high-level newspaper. [Editorial] [Text] [Manila MANILA BULLETIN in English 11 Mar 86 p 4] /8309

CSO: 4200/806

CPV GREETS INDIAN COMMUNIST PARTY CONGRESS

OW122116 Hanoi VNA in English 1459 GMT 12 Mar 86

[Text] Hanoi, VNA March 12--The Communist Party of Vietnam Central Committee today sent warm greetings and wishes of success to the 13th Congress of the Communist Party of India (CPI) currently held in Patna, Bihar State.

The message says:

"Over the past 60 years since it came into being, the CPI has joined other patriotic, democratic and progressive forces in India and gained great successes in a hard yet glorious fight for the interests of the nation, the working class and people of India as a whole. Today, in face of the interference and sabotage, your party is striving to make substantial contributions to safeguarding independence and freedom, and consolidating national unity and integrity for the happiness and prosperity of India, thus contributing to the struggle of the people in Asia and the world over for peace, (?national independence), democracy and social progress.

"The Communist Party and the people of Vietnam express their heartfelt gratitude to the CPI and the Indian peace, democratic and progressive forces for their enthusiastic support for the Vietnamese people's struggle for independence and freedom in the past as well as their present efforts in national construction and defence."

The message wishes the militant solidarity between the two parties and the friendship and cooperation between the two states constant consolidation and development.

/6662
CSO: 4200/805

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

SYRIAN COUNCIL PRESIDENT CONGRATULATED--Hanoi VNA March 12--Chairman of the National Assembly Nguyen Huu Tho today extended his congratulations to Muhammad al-Zoubi on his re-election as president of the People's Council of the Syrian Arab Republic. In his message, Chairman Nguyen Huu Tho wished the Syrian people new successes in defending national independence, building a prosperous Syria, and making active contributions to the common struggle of the Arab people and the people all over the world for peace, national independence, democracy and social progress. He also wished the militant solidarity, the friendly relations and cooperation between the two parliamentary organizations and the two peoples further consolidation and development. [Text] [Hanoi VNA in English 1506 GMT 12 Mar 86 OW] /6662

NATIONAL ASSEMBLY DELEGATION TO LAOS--Hanoi VNA March 12--A delegation of the Vietnamese National Assembly led by its chairman Nguyen Huu Tho will pay an official friendly visit to Laos soon at the invitation of the Lao People's Supreme Assembly. This comes as a communique released here today by the office of the National Assembly and the State Council. [Text] [Hanoi VNA in English 1511 GMT 12 Mar 86 OW] /6662

VO NGUYEN GIAP RECEIVES SOVIET SCHOLARS--Hanoi VNA 13 March--Vo Nguyen Giap, vice chairman of the Council of Ministers, has cordially received a delegation of the Institute of Oriental Sudies under the USSR Academy of Sciences led by Prof. V.M. Sonsev, deputy director of the institute, which arrived here for the recent Vietnamese-Soviet linguistics seminar. Speaking to the guests the vice chairman valued highly the cooperation, friendship and the results of the seminar between the Vietnamese and Soviet linguists. The Soviet delegation promised to further promote the cooperation in the field of social sciences between the two countries. [Text] [Hanoi VNA in English 1556 GMT 13 Mar 86 OW] /6662

SOVIET ACADEMICIANS VISIT--Hanoi VNA March 13--A delegation of the Academy of Pedagogical Sciences of the Soviet Union led by its president M.I. Kondakov has paid a visit to Vietnam as guest of the Ministry of Education. While here, the Soviet guests were received yesterday by Vo Nguyen Giap, member of the Communist Party of Vietnam Central Committee and vice chairman of the Council of Ministers. On March 13, a program of cooperation for the 1986-90 period between the Soviet Academy and the Vietnam Institute of Pedagogical Sciences was signed by M.I. Kondakov and Pham Minh Hac, Vietnamese vice minister of education. [Text] [Hanoi VNA in English 1535 GMT 13 Mar 86 OW] /6662

USSR FUNDS SCHOOL--Hanoi VNA March 13--A ground-breaking ceremony was held in Ho Chi Minh City on Tuesday to start construction of a Soviet-funded technical teachers' school. The school is to train technical teachers and skilled workers for the mechanization of agricultural production in the Meking Delta. The Soviet-assisted equipment includes 350 tons of engineering machines, worth 2 million roubles. Soviet Consul General in Ho Chi Minh City V.C. Ionaitic [spelling of name as received] was present on the occasion. [Text] [Hanoi VNA in English 0723 GMT 13 Mar 86 OW] /6662

FRG FILM GROUP--Hanoi, 7 Mar (VNA)--A TV film-making delegation of the Federal Republic of Germany-Vietnam Friendship Association led by Ms Kathryn Brawn, member of the Communist Party of the FRG, recently visited Ho Chi Minh City to make a documentary film about child victims of the post-Vietnam War period. During its stay in the city from 18 February to 3 March 1986, the delegation visited a rehabilitation centre, a centre for polio-affected orphans, the Children's Hospital No 2, and the Gynaeco-Obstetric Hospital in Ho Chi Minh City, and Tay Minh Province. The delegation filmed real stories about the consequences caused by U.S. toxic chemicals to Vietnamese children. The delegation on this occasion presented 245 kilos of medicines as a gift from the FRG-Vietnam Friendship Association to the City Children's Hospital No 2 and the Gynaeco-Obstetric Hospital. [Text] [Hanoi VNA in English 0740 GMT 7 Mar 86 OW] /9599

SRV-USSR PUBLISHING COOPERATION AGREEMENT--Hanoi, 12 Mar (VNA)--An agreement on publishing cooperation between Vietnam and the Soviet Union for the period 1986-90 was signed in Hanoi yesterday afternoon. The signatories were Nguyen Trong Xuan, head of the publishing and newspaper department of the Vietnamese Ministry of Culture, and I. Milovalov, director of the Hanoi bureau of the NOVOSTI press agency. The signing was witnessed by Vu Khac Lien, deputy-minister of culture, Pham Thanh, director of the Su That (Truth) Publishing House, and Ali-zade Raouf, cultural counsellor, A. Vrant-chanu, second secretary of the Soviet Embassy in Vietnam. [Text] [Hanoi VNA in English 0732 GMT 12 Mar 86] /9599

SRV-MONGOLIAN FRIENDSHIP ASSOCIATION--Hanoi, 11 Mar (VNA)--The executive committee of the Vietnam-Mongolia Friendship Association held an enlarged meeting here today to review the association's work in the past year and work out a program of action for the coming period. The participants were informed of the achievements recorded by Mongolian people over the last year and of the further development of the friendship and cooperation between Vietnam and Mongolia especially between the two corresponding friendship associations. Measures to further strengthen these cooperative ties in the 1986-90 period were also discussed. [Text] [Hanoi VNA in English 0758 GMT 12 Mar 86] /9599

27TH CPSU CONCRESS SUCCESS GREETED--On the afternoon of 8 March, the party committee, the VFF committee, and the Vietnamese-Soviet Friendship Association of Song Be Province held a solemn meeting in Thu Dau Mot city to greet the success of the CPSU's 27th Congress. Speaking at the meeting, Comrade Nguyen Van Luong, secretary of provincial party committee, warmly greeted the glorious success of the CPSU's 27th Congress. He called on cadres, combatants, and people in the province to turn their elation at the success of the CPSU's 27th Congress into realistic revolutionary acts to accelerate production, strictly practice thrift, fulfill the state plan norms for the first quarter 1986, and complete all Vietnamese-Soviet cooperation projects satisfactorily by turning out more and better quality products for export to the Soviet Union. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 10 Mar 86 BK] /6662

CSO: 4209/385

VO VAN KIET ON LABOR SECTOR'S TASKS FOR 1986

BK131501 Hanoi NHAN DAN in Vietnamese 3 Mar 86 pp 1, 4

[Text] The labor sector recently held a conference in Hanoi to review and evaluate its activities in 1985 and to devise measures to implement its tasks for 1986. Comrade Vo Van Kiet, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, attended and addressed the conference.

In 1985, the labor sector joined other sectors and various localities in striving to redistribute the labor force, link the labor force with land availability, expand branches of work and professions, find jobs for the working people, set up a number of new economic zones which now have good prospects, make initial rearrangement and rational use of the work force in various state organs and state-run economic units, and further improve the wage system in order to make it compatible with the new management system characterized by economic accounting and socialist business. So far, 359 districts and 39 towns (or 80 percent of the total districts and towns) in the country have gone ahead with carrying out district planning, emphasizing the distribution and use of the work force and linking the labor force with land potential and with other strengths of the localities concerned. A number of districts in various provinces and cities--such as Nghe Tinh, Thanh Hoa, Quang Nam-Danang, Phu Khanh, Haiphong, Minh Hai, Nghia Binh, Lam Dong, Ha Nam Ninh, Vinh Phu, and Hanoi--have done a good job in planning and using the work force on the basis of conducting investigations and surveys in order to resolve labor relations and economic problems in localities and to be more aware of the state of manpower--that is, surplus or shortage. This is to build, perfect, and develop the agricultural-industrial-fishery, agricultural-forestry-industrial, or agricultural-industry-forestry economic structure. Last year, the entire sector contributed to rearranging and redistributing a total of nearly 400,000 people in the country (including nearly 190,000 workers) and found jobs for 400,000 workers in various cities, with the number of workers in Hanoi, Ho Chi Minh City, and Haiphong who got jobs constituting 50 percent. Many measures designed to manage, use, and encourage laborers in various production, business, administrative, and support service units have also been exercised effectively. The new wage system has initially helped resolve in a reasonable way various problems involving contributions and benefits and problems involving relations between professions and production sectors.

Addressing the conference, Comrade Vo Van Kiet, on behalf of the party Central Committee and the government, warmly praised the achievements of the sector last year and pointed out a number of major objectives and specific tasks to be carried out in 1986 and the ensuing years in distributing and using the social labor force. Proceeding from a great requirement of the party and its economic development strategy, we must quickly create initial capital for socialist industrialization; 1986 must be the year in which we carry out a general readjustment and redistribution of the work force throughout society, link the work force with land potential, and ensure that all workers have jobs and that they work in a disciplined manner with high output and efficiency. It is necessary to do away with the situation in which the number of people not directly engaging in production and the number of unemployed people in society are still large. Land, branches and trades, and labor have yet to be exploited satisfactorily; and the strong points of each sector, each locality, and each territorial division have yet to be brought in to full play. It is very difficult and complex to rationally distribute and utilize labor on a society-wide scale, formulate a plan for comprehensive economic development, and foster and utilize the work force. The labor sector must adopt concrete, realistic, and flexible measures for resolving this matter on a truly scientific basis so as to get results. With appropriate and suitable systems and policies, any worker would develop his capacity to the fullest in service of socialism. The weaknesses observed last year stemmed from a bureaucratic workstyle that consists of issuing directives and guidelines on paper from on high, shunning difficult tasks, and staying far removed from the reality of life. In carrying out the new mechanism of management, the labor sector must pay the utmost attention to fostering, utilizing, and developing the most valuable asset--namely the work force--considering it the decisive factor that directly creates material wealth for society. The main orientations for effectively utilizing labor on a society-wide scale consist of thoroughly exploiting the strong potentials of land, forests, and the sea; expanding and developing the various branches and trades in municipalities and provincial capitals; recalculating labor norms; streamlining the apparatus; eliminating unnecessary intermediary links.... All this will create a firm basis for generating sufficient initial capital for national industrialization.

/6662
CSO: 4209/385

HOANG BICH SON, OTHERS ATTEND PEACE SEMINAR

OW140747 Hanoi VNA in English 0713 GMT 14 Mar 86

[Text] Hanoi, VNA, March 14--A peace seminar was jointly held here yesterday by the institute of sciences, the peace committee and the Hanoi committee for science and technology, in response to the international year of peace-1986.

It was attended by Prof. Dr. Nguyen Van Hieu, alternate member of the CPV CC and head of the sponsor institute; Hoang Bich Son, vice minister of foreign affairs and vice president of the Vietname committee for the international year of peace; Do Xuan Oanh, secretary general of the Vietnam peace committee, and a large number of professors and scientists.

Prof. D. M. Hodgkin, fellow of the Royal Society of the United Kingdom, a Nobel Prize winner of biology and a peace militant, on a current visit to Vietnam, was also present.

The participants strongly condemned the U.S. nuclear arms race policy as brining mankind to the danger of a nuclear holocaust and expressed their full support for the Jan 15, 1986 statement by Soviet Party General Secretary M.S. Gorbachev, describing it as a vital contribution to preserving world peace and warding off the danger of a nuclear war.

They also issued a statement in support of the new Soviet peace initiative and vehemently demanding that the U.S. Administration put an immediate end to nuclear tests, abolish its program of outer space militarization, and seriously negotiate with the Soviet Union on disarmament and on the eventual elimination of all nuclear, chemical and weapons of mass destruction. [as received] The statement called on scientists in the United States and other countries to protest against the SDI program, prevent the arms race, contribute to reliable and friendly relations among nations, and use all scientific achievements for the sake of peace.

/6662
CSO: 4200/805

ECONOMIC PLANNING, TRADE, AND FINANCE

STRICTER MARKET CONTROL, PRICE STABILITY REPORTED

Hanoi NHAN DAN in Vietnamese 18 Nov 85 p 1

[Text] Da Nang has set up guidance committees at the municipal and ward levels, organized mobile teams made up of market management, public security, and taxation forces, and has energetically struggled against speculators and smugglers. Party committees at various echelons together with the administration, front, and mass organizations have launched an intensive and extensive educational campaign to inform cadres and people of the need for market management and have assigned cadres to directly guide the management of each category of goods in each housing cluster and bloc. From early October to mid-November 1985, the market-control force has uncovered 1,200 cases of dishonest trading, tax evasion, counterfeiting, speculation, and price hikes; it has imposed fines and confiscated nearly 90,000 dong worth of merchandise. The city has caught and punished many cases of cigarette counterfeiting and some cases of medicine counterfeiting.

In Hoa Vang District, industrial and commercial tax stations and the market-management unit have earnestly fought against smugglers, counterfeiters, and moonshiners; they have uncovered and prosecuted 771 cases including 245 of price hikes, 400 of illegal trading, and 36 of smuggling and imposed fines totaling 26,640 dong.

The commercial, tax, and public security sectors have coordinated to reorganize the market and to manage commercial activities in Nam Dinh City markets. The state commercial service and marketing cooperatives have not only intensified their efforts to get hold of goods in order to have enough staple commodities for normal sale but have also opened 200 more selling points in concentrated areas to make it convenient for consumers to buy goods. Shops and sales counters have set contractual norms and encouraged salesclerks to extend their daily working hours and to bring goods for sale to public agencies and enterprises. Two large markets called My Tho and Cho Rong and eight others have arranged business activities of private commercial households according to the kinds of merchandise they are dealing in. Many private commercial households in Cho Rong market have joined the state in repairing and renovating their shops with the objective of promoting socialist commercial civilization. A few small markets which formerly took place on sidewalks or encroached on roads have been ordered to meet in designated areas or disbanded if deemed unnecessary. The city has also assigned the management of small markets to the ward authorities in accordance with the decentralization policy.

Concerning staple commodities such as grain and pork, the state commercial sector and marketing cooperatives have tried to control the market while the municipal authorities have organized small traders into pork-dealing cooperative teams. At first, there was only 1 cooperative team composed of 26 private commercial households in My Tho market. At present, in other markets, there are 87 trading cooperative teams, including 127 private commercial households subject to state regulations on prices, weighing, sales counters, and hygienic conditions of food. Beside expanding the grain sale network by creating 52 selling places, the city has closely guided the stabilization of grain prices and firmly dealt with grain dealers. At the same time, based on experiences drawn from the Ly Thuong Kiet market, others have reserved a special section for peasants who have fulfilled their obligation to the state to sell their surplus products without having to pay any tax. As a result, the price of grain has become relatively stable despite the recent heavy rainstorms.

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CSO: 4209/193

ECONOMIC PLANNING, TRADE, AND FINANCE

BRIEFS

SEDENTARY FARMING DEVELOPMENT--Hanoi VNA March 11--With the help of the state and the local people in the midlands and highlands in Vietnam, about 250,000 people settled for sedentary life and farming in 1985. They accounted for 90 percent of the number planned for last year and brought to 950,000 the total number of people who resettled over the past five years from 1981-1985. The provinces of Guang Ninh, Bac Thai, Vinh Phu and Ha Son Binh in the north and Dong Nai in the south, and 20 districts in other parts of the country have completed their programs of population settlement for sedentary life and cultivation. In 1985, the new settlers reclaimed 4,613 ha for food crops, surpassing the yearly program by three percent, planted long-term industrial crops such as tea, tung, teaoil, coffee and anise on 2,114 ha, and built 109 small-sized irrigation works, thus increasing the supply of electric power to minority people in the highlands. [Excerpt] [Hanoi VNA in English 0718 GMT 11 Mar 86 OW] /6662

CSO: 4200/805

10 DAY REVIEW OF AGRICULTURAL ACTIVITIES REPORTED

OW130915 Hanoi Domestic Service in Vietnamese 1100 GMT 10 Mar 86

[Text] Dear friends: Following are some noteworthy developments in agricultural production over the past 10 days.

The southern provinces have completed their sowing and planting work for winter-spring rice. The planted acreage, although showing an increase of 8 percent over the corresponding period last year, is still below the plan norm. By and large the southern provinces have done a good job in winter-spring cultivation this year, with many provinces overfulfilling the plan norms. However, a number of provinces in eastern Nam Bo and Ho Chi Minh City, due to drought-related water shortages, are still continuing their sowing and transplanting work.

Along with conducting sowing and transplanting, the provinces, in the past 10 days, have harvested early winter-spring rice. So far, more than 100,000 hectares have been harvested, with high yields in all harvested areas.

Due to severe cold weather in the past week, some northern provinces have not yet completed their sowing and transplanting work. According to Agriculture Ministry reports, by 5 March, some 80,000 hectares in the northern provinces ahd remained uncultivated, including more than 20,000 hectares in the mountainous region and about 24,000 hectares in the midlands.

All in all, the winter-spring rice is developing well, especially the early rice. The late spring rice, however, has been affected by the cold weather. In many provinces rice plants have perished, some 800 hectares in Thanh Hoa, nearly 300 hectares in Hai Hung, and some 200 hectares in Ha Son Binh.

In the past week, localities have devoted their efforts to tending and fertilizing the rice, weeding, and replacing the perishing rice plants with new ones. They have created conditions for the rice plants to develop evenly.

During the same period, localities across the country have accelerated the planting of spring vegetables and secondary and indus-rial crops. So far, more than 377,800 hectares of subsidiary crops, or 99 percent of the planted area in the corresponding period last year, have been planted, with corn and sweet potato being the major crops. The planted industrial crop area was

179,700 hectares, a 15-percent increase over the corresponding period last year, with notable increases of peanuts, soybeans, and sugar cane, but a decrease of tobacco. Drought and hot weather, however, have adversely affected the newly planted crops.

Dear friends, in order to ensure success in agricultural production, in the coming week, the northern provinces should devote efforts to doing well the following work: They must switch main efforts to tending, fertilizing, and weeding the newly planted rice, and to conducting insect control to protect it; as chemical fertilizers are in short supply now, localities must actively carry out weeding and use fertilizers rationally, the best way being to insert small balls of fertilizer at the foot of each rice plant, in order to economize on nitrogenous fertilizer and better help rice growth; insect control, in particular, must be conducted in time; and more vegetables and secondary and industrial spring crops must be planted.

In the recent past buffalo and cattle in many localities have died as a result of a severe cold spell. Therefore, animal categorization according to health must be carried so that plans for improving animal health conditions and draft power can be worked out. Meanwhile, attention must be paid to farm equipment maintenance in support of soil preparation for the next crop.

The southern provinces should pay attention to protecting the late winter-spring rice, strive to harvest the ripened early rice, and make preparations for ensuring tractors, seeds, materials, and fertilizers for the summer-fall crop.

/6662
CSO: 4209/385

AGRICULTURE

FINANCIAL-MATERIAL DIFFICULTIES IN IRRIGATION DISCUSSED

Hanoi NHAN DAN in Vietnamese 18 Nov 85 p 2

[Article by Bui Ngoc Lien, of the Ministry of Water Conservancy: "Let Irrigation Enterprises Shift to Economic Accounting"]

[Text] To date, irrigation enterprises have carried out economic activities according to an administrative method based on bureaucratic centralism and state subsidies, and to a financial system involving the use of income to defray expenses and the compensation of differentials by state subsidies. This situation has not created conditions for enterprises to take the initiative in production and to achieve financial independence.

In pursuance of the resolution of the Eighth Plenum of the Central Committee, irrigation enterprises must shift from bureaucratic centralist management with state subsidies to economic accounting and socialist business, streamline production organization, formulate and apply economic and technical standards and norms, ensure an increased income, make rational expenses, better manage irrigation works, and serve agricultural production more effectively. To create favorable, correct, and reasonable conditions for their shift to economic accounting, irrigation enterprises hope that the financial system will be rid of the following impediments:

1. Concerning the Source of Income of Enterprises: At present, the sole source of income of irrigation enterprises is water-conservancy fees. Because the policy of our party and state is to stimulate production, the rate of water-conservancy fees collected is still low and they are collected in the form of paddy whose amount is calculated according to the actual crop output. Meanwhile, irrigation and drainage incur huge expenses, including payments for electricity supply and regular and major repairs of irrigation works, machines, and equipment, and payment of wages and bonuses to cadres, workers and so on, at a time when the prices of electricity, oil, and materials are soaring. The service rendered by irrigation networks is not limited to crop irrigation and drainage but also includes water supply for daily needs of man and domestic animals, and must contribute to improving the living, sanitary, traveling, and transport conditions and to building the new socialist rural areas, building and consolidating cooperatives, developing labor and land potentials, and redistributing the work force and population. Noteworthy is the fact that drainage projects must assume

drainage for all natural areas in each zone--such as municipality, city, and town--so that the amount of water drained through irrigation projects is enormous. For the Irrigation Enterprise No 1 in Ha Nam Ninh, 51 percent of the electricity cost is incurred by pumping and draining to meet these nonagricultural and unproductive requirements. But, in practice, this expense has not yet been considered a source of income for the enterprise. Therefore, in addition to the water-conservancy fees collected on the agricultural production area, the financial system must consider it necessary to include the above-mentioned sources of income in the overall source of income of enterprises. Because the state does not yet intend to collect fees, the state budget must calculate electricity cost for the enterprises' benefit, thus creating conditions for irrigation units to take the initiative in production, to perform economic accounting, and to achieve rational balance between income and expenses.

2. Concerning Electricity Cost and Management of and Repair to the Electric Network: Irrigation enterprises spend a huge amount of money every year to pay for electricity (from 50 to 60 percent of their total expenditures). Most pump stations have to operate at night to avoid peak hours. Decree No 80-HDBT of 19 July 1983 of the Council of Ministers promulgating regulations on the supply and use of electricity has stipulated that the price of electricity used in slack time must amount to only 40 percent of that paid for electricity used during normal hours. But so far the electricity sector has not yet implemented these regulations. The electricity network with its transformers serves not only water pumps but also many other sectors, but the electricity sector does not yet agree to directly assume management and repairs and to make the required investments, although the Council of Ministers has already decided that this sector must take over and directly assume the management and repair service.

3. Concerning Depreciation of Fixed Assets of the Irrigation Sector: Decree No 112-HDBT of 25 August 1984 on collection of water-conservancy fees has established a system of depreciation of fixed assets of the irrigation sector. Irrigation projects have very great value; they have been built during many periods of time; the prices of materials and labor wages have changed; the capital invested has come from central and local budgets and includes the building efforts of the people. Because of their operation under the bureaucratic centralist and state subsidy system, attention has not been paid to evaluating the fixed assets of irrigation projects and their management has been loose. On completion of their construction, almost all projects have been put under management and into operation without evaluating and handing over the fixed assets to enterprises. It is necessary to calculate all rational expenses incurred by irrigation enterprises and to include the huge depreciation of fixed assets of irrigation projects. Therefore, the joint agencies at both the central and local levels must guide irrigation enterprises as to the working theme, method, and time to enable them to calculate the depreciation of fixed assets according to Decree No 112-HDBT of the Council of Ministers.

4. Concerning the Supply of Materials and Spare Parts To Repair Projects and Machines: Irrigation projects are likely to break down frequently because they are subjected to the direct effect of nature and society and also

because they must work continuously. So far, however, the state has formulated plans and set norms only for the supply of materials to capital construction projects but not for the supply of materials and spare parts necessary to their management and operation by enterprises. Minor breakdowns in some projects have thus led to serious deterioration with the resulting decline in design output and service efficiency. No sooner had many state projects been completed than they were handed over to irrigation enterprises which were required to manage and operate them and, at the same time, to improve them continuously, but this has proven impossible for lack of planned norms on material supply by the state. For this reason, irrigation enterprises hope that the state will draw up plans and set norms to supply the materials necessary for the management and operation of irrigation projects and that these supplies will be included in other state plans and norms for material supply so that irrigation enterprises may maintain their normal activities and meet the requirements of agricultural production.

9332/7687
CSO: 4209/193

CAUSES OF DECREASED GARLIC OUTPUT EXAMINED

Hanoi NHAN DAN in Vietnamese 18 Nov 85 p 2

[Article by Quyet Thang: "Why Has the Garlic Area in Tu Loc District Decreased Rapidly?"]

[Text] It is a sad thing to speak about garlic production in Tu Loc District (Hai Hung Probince). In 1983, Tu Loc grew 570 hectares of garlic; this area dropped to 327 hectares last year and now there remain only 65 hectares in the current cultivation season. What is the cause of this situation? It is not because peasants in Tu Loc do not know how to grow garlic well. Over the past 6 years, garlic output has increased continuously; it was more than 3 tons per hectare in the worst year. The weather conditions, climate and land of Tu Loc are suitable to garlic cultivation. More than half the farming area of the district is made up of humus soil. Natural calamities have never caused serious damage to garlic production. If so, why has the garlic area in Tu Loc decreased continuously?

It is not because the district party and people's committees and the cooperatives have incorrectly assessed the role of garlic crops. Though garlic production is not a traditional business of this district, most peasants in Tu Loc know that garlic is a plant of great export value which is easy to grow and which does not tend to encroach on the rice area. Anyone visiting Tu Loc in the past few years to watch the winter crop cultivation will certainly remember the animated atmosphere during the garlic-growing season. Whole villages and the whole district were busy growing garlic. Garlic plants were seen in the fields and other open areas, alongside canals, and even in private gardens. However, because of the failure to evaluate the economic effect and to delimit garlic producing areas, the movement would decline everywhere whenever difficulties arose.

But that is still not the principal reason for the decrease in garlic production in the district. The direct cause is irrational organization of the purchasing mechanism and neglecting to encourage farmers to produce garlic.

Whether the supply of materials to be used in purchasing garlic is sufficient and homogeneous or not depends on the agricultural service while garlic purchase is the monopoly of the Hai Hung Import-Export Corporations Federation. Usually, the garlic-purchasing period is exactly the time when the provincial authorities need materials to purchase grain and food products from peasants. Therefore, garlic purchase is considered second to other agricultural products and has had to wait for the delivery of materials.

After the harvest, the sale of garlic [by peasants] is also hampered. Everyone knows that in view of the present conditions in rural areas, it is usually difficult to preserve exportable garlic and that the longer it is kept, the lower its quality. Nevertheless, the provincial Import-Export Corporations Federation takes a long time to buy garlic (from mid-March to early May). Many garlic-producing peasants have compalined that despite their small capital, they have had to hang garlic cloves on the beams of their house roofs because they cannot sell it. When the provincial authorities are buying garlic, anyone taking garlic out of the provincial area will be fined a sum equal to 100 percent of the garlic value. But the provincial authorities do not buy much garlic from Tu Loc: in the highest year they bought only 500 tons, which was less than one-third of the garlic output. Only after the foreign trade sector has stopped buying garlic will the district home trade sector and marketing cooperatives be allowed to sign contracts to buy garlic from peasants. Whether the provincial home trade sector will buy garlic or not depends on commercial relations inside and outside the province; usually, this sector relies on other garlic-producing provinces. The quantity of garlic bought by the district and marketing cooperatives is only a decimal fraction of the garlic surplus. Some public agencies and economic units inside and outside the province also buy garlic but only when its quality has dropped because it has been kept too long. Peasants will then have to listen to annoying complaints from buyers and to allow them to choose good-quality cloves one by one. A peasant said: "The money derived from garlic sale is insignificant. Had it been possible to replace rice by garlic, I would have kept garlic and eaten it."

We have not yet spoken of the price of garlic and the state's belated payment for the garlic purchased. Some people have not yet received payment for the garlic they sold last year. The provincial authorities recently raised the price of garlic but it comes to only one-third of the free-market price. After calculating the cost of seeds and fertilizers and the wage paid on a workpoint basis and after comparing the sum total to the garlic purchase price offered by the state, a district cadre has concluded that the more garlic a cooperative produces, the heavier loss it will sustain. Moreover, in recent years, the sale of garlic to the state was reciprocated by the offer of exchange goods but this practice has been discontinued for 2 years. Therefore, though planning at first to grow garlic on 300 hectares in the current winter season, the district has reduced this area to 150 hectares after assessing the peasants' ability to grow it. At the approach of the garlic season, cooperative cadres had to strongly urge its cultivation but the cultivated area came to only 65 hectares. At that time, garlic seedlings could be seen in some rows of shops at all rural markets. Many peasants who were fully able to produce garlic also sold out their garlic seedlings because they intended to concentrate on the more profitable cultivation of rice.

Many of them were willing to pay the penalty imposed by the cooperative following their refusal to grow garlic. In the last cultivation season, the garlic area in Tu Loc was cultivated by more than 20 cooperative; during the current season, this area is being tended by only 5 of them. In the past, the Lien Hong cooperative ranked first among garlic growers in the district; during the current season, this cooperative does not grow garlic even on a single hectare.

Therefore, during the current winter season, the cultivation of garlic for export is a thorny problem not only for Tu Loc District but also for Hai Hung Province as a whole.

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AGRICULTURE

COLLECTION OF OVERDUE AGRICULTURAL DEBTS INTENSIFIED

Hanoi NHAN DAN in Vietnamese 18 Nov 85 p 2

[Article by Vu Kiem: "Initial Change in the Collection of Product Arrears in Thai Binh"]

[Text] Prior to the 1985 spring season, overdue delivery of products by agricultural cooperatives in Thai Binh presented a rather serious problem. The average output in the 4-year period from 1981 to 1984 showed an increase of 1 ton per hectare in comparison with the 1976-1980 period. However, late in 1984, out of 301 cooperatives in Thai Binh, there still were 280 (93 percent) which fell behind with the delivery of products, and 132 of them each still owed 100 tons of paddy or more. Not only weak but also fairly good cooperatives made belated delivery of products and not only after poor harvests but also following bumper crops.

By the end of 1984, the amount of product arrears throughout the province came to more than 34,000 tons. Compared with the years preceding the implementation of the product contract system, product arrears increased sevenfold and each cooperative still owed 124 tons on the average.

This arrearage had many causes but was due primarily to the uneven development of production. Most families exceeded the contract norm but some could not; instead, they fell short, received a low income, and found it difficult to make a living. Certain cooperative members lacked manpower, production experience, and also materials and capital because their families had been poor even before the product contract system was implemented, The difficulties experienced by each family badly reflected on production and whether this effect was slight or serious depended on the extent of difficulties. Usually, the output of families of this category was below average and caused the collective to fall behind in delivering products.

Because the income of people engaged solely in crop cultivation was already decreasing continuously, it would drop further if these people fell into the category of "families best with difficulties." Under the product contract system, in the past nine agricultural seasons, Thai Binh continuously harvested bumper crops but instead of increasing, the amount of grain distributed to each laborer and that sold in exchange for each working day tended to decrease continuously for many reasons. Despite abundant harvests, it was necessary to reduce contractual output because the indivisible grain fund increased and because the widespread state subsidy system had led to the distribution of income to many types of workers not directly participating in production.

Ever since the product contract system was applied to laborers, many cooperatives tended to slacken management, and the five jobs assumed by the collective were not carried out satisfactorily. Consequently, some families beset with difficulties did not have the necessary conditions to perform production. Cooperatives neither settled accounts in a democratic manner nor published plans in good time. Many of them neglected the collection of products and failed to concentrate on guidance and to bring the aggregate strength of basic installations into play to gradually step up production and create equal strength within each cooperative and production unit.

Together with the causes and shortcomings inherent in each production installation, product arrearage among cooperatives was caused by the failure of some state economic organs to promptly supply materials to serve production. Party committees and the administration at various echelons failed to exercise close leadership and guidance and to quickly pay for the agricultural products purchased; many working days performed by various sectors and crafts which were actually less valuable than those performed for rice cultivation were nonetheless considered qualified for an equal share of income.

At the end of the 1984 10th-month season, the standing committee of the Thai Binh Provincial Party Committee found it inadvisable to allow the product arrearage to drag on and the cooperative members' debts to increase continuously. Therefore, right at the beginning of the 1985 spring production season, Thai Binh tried by all means to resolve this thorny problem. Party committees and the administration at all levels in Thai Binh realized that to fight against product arrearage, it would be necessary to address it at its roots instead of waiting until the rice harvest to begin dealing with it. This means that it would be necessary to enable people receiving fields on contract to exceed or fulfill the contract norm by helping them and by creating the necessary conditions for them before, during, and after the production seasons.

Experiences in preventing product arrearage in Thai Binh in the last spring production season have shown that right at the beginning of this season, cooperatives took the initiative to categorize their members' families and to provide realistic assistance for those beset with difficulties in order to achieve equal rice productivity. In directing production, cooperatives properly carried out the five jobs assumed by the collective. Almost all cooperatives published their income distribution plans at an early time in order to set their members' mind at ease and motivate them to voluntarily deliver products. Cooperatives unable to draw up their own plans in time had to use the fixed plan norm temporarily and read just it later on.

Ever since the 1985 spring production season, Thai Binh has been able to step further aggravation of product arrearage and has created conditions to basically settle this problem by the end of 1986. By the end of August 1985, as a result of the collection of arrears, 96 percent of the spring product and 30.34 percent of overdue debts were collected in Thai Binh. After reassessing the composition of debts and eliminating debts whose owners were absent and debts which bore interest or were incurred through failure to pay penalties, it appeared that the overdue debts in Thai Binh actually amounted to 30,485 tons. Since 9,250 tons were collected in the recent spring season, there remained 21,235 tons. This initial and encouraging achievement is due to the efforts of all levels and sectors in the province, especially the role of the district level.

Thai Thuy can be set as an example because it is a district which has obtained the greatest result from the struggle against arrears and the collection of overdue products. By the end of 1984, 51 out of 52 cooperatives in Thai Thuy were still in arrears with the delivery of products which amounted to 4,168 tons of paddy together with 1.5 million dong, which represented 68 percent of all items in the indivisible fund, and which included 3,644 tons owed ever since the implementation of the product contract system in 1982.

At the beginning of the spring production season this year, Thai Thuy District classified households according to the size of their debts in order to set forth measures to help them in matters of seeds and capital and fertilizers and to create conditions for them to surpass the contract norms. Realities have demonstrated that over 60 percent of all households in arrears with the payment of debts lacked manpower, materials, and experience in intensive cultivation. Attention was, therefore, paid first to families having difficulties with manpower or having only little capital. Specialized units in cooperatives were further strengthened to help contractors grow crops on schedule and according to technical regulations.

While taking care of rice crops, district leading comrades were assigned to closely watch each cooperative which, in turn, had to watch each field cultivated by production units and to accurately assess the number of households likely to exceed or miss the output norm. This measure was necessary to find ways to achieve uniform production. Fields lacking water or fertilizers or afflicted with insects were quickly discovered and measures were immediately taken by the cooperative to solve the problem. With regard to families unable to buy fertilizers, the cooperative granted them loans and collected their paddy after the harvest.

When the crop was being harvested in each field, cooperatives ordered the delivery of product to the collective on a first priority basis instead of waiting until completion of the harvest to effect a general delivery. This measure was coordinated with motivation and prompt commendations and rewards during each period of time. Guidance committees at the district and village levels and product collection teams worked in earnest. The early publication of a detailed program indicating clearly various types of debts, including those to be paid and portions to be kept by laborers, had the effect of stimulating laborers and motivating them to voluntarily deliver their product and paying their debts to cooperatives.

With regard to households in arrears with the payment of debts, cooperatives in Thai Thuy District carefully classified them and tried to find out the reasons for their arrearage in order to devise appropriate measures to deal with them. Concerning families really beset with difficulties, cooperatives drew up a plan allowing postponement of their debt payment or established a timetable for yearly payment of their debts. As for persons bent on delaying their debt payment, administrative measures had to be taken to deal with them.

Thai Thuy displayed great flexibility in taking measures to collect debts. For families paying their debts in the form of meat hogs, a parity of 1 kg of meat on the hoof for every 5 kg of paddy was applied. If money was paid, cooperatives would apply the price of 20 dong per kg of paddy (18 dong only for families of fallen heroes and wounded soldiers). If debts were paid in the form of peanuts, the price of 1 kg of peanuts would be considered equivalent to that of 3 kg of paddy. Any family could pay their debts in all these three forms. For every 100 kg of paddy paid by production units and cooperative members' families, cooperatives offered a reward ranging from 2 to 5 kg and canceled their debts. Owing to this measure, many production units and families helped each other in their endeavor to pay all debts and to receive the cooperatives' reward. Cases of cadres' and party members' families in arrears in the payment of debts and those of families capable of paying but unwilling to pay their debts were submitted to the collective for examination and decision on ways to deal with them.

This flexible use of various forms of collecting debts helped resolve problems concerning households beset with difficulties or cooperatives yielding a low paddy output. As a result, after the spring production season of this year, Thai Thuy was able to collect 2,614 tons out of 4,168 tons of old debts. The amount collected represented 62 percent of old debts and included a sum of money equivalent to 500 tons, 50 tons in the form of meat hogs, and 25 tons in the form of peanuts. Members of 15 cooperatives paid off their old debts and one family paid off at once by delivering 1,497 kg. Throughout the district, 28 cooperatives and 60 percent of all production units collected all old debts and 562 out of 942 families were no longer in arrears in the payment of debts. Eight to 10 days after the collection date was fixed and the reward system criteria published in the villages of Thuy Ninh, Thuy Chinh, and Thai Thanh, cooperatives were able to collect the entire amount of new product plus all old debts. One hundred percent of all fairly good cooperatives, some 60 to 70 percent of all production units in average cooperatives, and 30 to 40 percent of all production units in weak cooperatives paid off their debts.

Throughout the process of organizing the collection of product arrears in Thai Binh, the exemplary role of cadres, party members, and mass organizations exercised an obvious effect. Almost all districts uniformly implemented psychological, educational, materially incentive, and administrative measures when necessary. Many localities actively employed various forms of debt collection according to the composition of debts, the categories of debtors, and the dates of debt payment and product delivery and, on this basis, decided whether payment should be made in cash or in kind.

The movement to collect product arrears and unpaid debts in Thai Binh has obtained definite results, contributed to strengthening the collective economy, and created conditions for cooperatives to develop production. Had the sectors concerned at all levels paid attention to this task and coordinated their action, the result of debt collection would have been greater. Certainly, the overdue delivery of product by agricultural cooperatives is not an insoluble problem. Of course, this complex task must be carried out along with the perfection of the product contract mechanism, with the updating of the management mechanism, with the struggle against bureaucratic centralism and state subsidies, and with the complete shift to economic accounting and socialist business among agricultural cooperatives.

There are great possibilities that Thai Binh may obtain an abundant crop from the current 10th-month production season. Many factors exist that will make it possible to achieve an output of 7 tons of paddy per hectare this year. Thai Binh has had a plan to collect during this season 30 to 50 percent of the remaining arrears amounting to 21,235 tons of paddy with the objective of completely resolving the arrearage problem during the 1986 10th-month production season.

9332/7687
CSO: 4209/193

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

POWER PLANT REPAIR--Hanoi, 7 Mar (VNA)--The reparation of the generator unit No 1 at the Thu Duc thermo-electric power plant on the outskirts of Ho Chi Minh City, with assistance from the Swedish International Development Authorities (SIDA), has been completed 17 days ahead of schedule. The reparation of the three generator units of this 165-mw power plant, built long before the 1975 liberation of South Vietnam, is conducted in two phases. With the present tempo of progress, the first phase is expected to conclude about 2 months ahead of plan. The plant's electricity accounts for half of the total electricity output of all southern power plants. [Excerpt] [Hanoi VNA in English 0748 GMT 7 Mar 86 OW] /9599

CSO: 4200/799

HEALTH, EDUCATION, AND WELFARE

BRIEFS

ADULT EDUCATION CLASSES--Hanoi, 7 Mar (VNA)--In the 1985-86 school year, almost 65,000 cadres and young people in Ho Chi Minh City are attending complementary classes opened at all the 18 precincts and districts in the city, 10,000 people more than in the last school year. Besides, the city has opened a new kind of complementary classes for students who failed in entrance examinations to senior high schools. These classes are attended by more than 10,000 students. Job training is one of the main subjects at the classes. The Mekong Delta Province of Ben Tre is striving to help all its leading cadres finish the general education level, and its population, the primary education level. At present, more than 20,000 people in the province are attending complementary classes. The Mekong Delta Province of An Giang is running 13 full-time complementary education schools, 20 other schools for inservice personnel and 97 complementary schools at rural areas for local cadres and people. Each year, some 2,500 cadres in the province attend complementary classes from the primary to senior high education levels. [Excerpt] [Hanoi VNA in English 0743 GMT 7 Mar 86 OW] /9599

ECONOMIC MANAGEMENT COURSE--Hanoi VNA March 13--The Central Economic Management School in Ho Chi Minh City has opened a refresher course on economic management for 150 leading district cadres of the southern provinces. This course, the first of its kind for southern district managerial cadres, will last eight weeks. [Text] [Hanoi VNA in English 0720 GMT 13 Mar 86 OW] /6662

CSO: 4200/805

BRIEFS

CULTURAL ACTIVITY IMPROVEMENT--Quang Ninh Province has intensified the training of specialized cadres and provided special materials on a priority basis in order to improve the quality of mass cultural and artistic activities in ethnic minority areas, along the frontier line, and on islands. Mobile information units, mass arts and letters troupes, and a network of wired radio loudspeakers have carried out regular activities at basic installations to stress local political tasks, such as the struggle against the enemy's manifold war of encroachment and destruction, the development of the new socialist lifestyle, and the abolition of corrupt customs and habits. In areas inhabited by miners, the cultural, arts and letters movement has been strengthened and developed by emphasizing its quality and effect and avoiding ostentation and formalism. This movement is strong from all points of view in many enterprises, such as the Central Machine Works, the Uong Bi Power Plant, the Coc Sau and Deo Nai mines, the Hon Gai Machine Works, and the Cua Ong Coal Sifting Plant. [Text] [Hanoi NHAN DAN in Vietnamese 18 Nov 85 p 1] 9332/7687

POPULATION GROWTH RATE DECREASES--Hanoi, 11 Mar (VNA)--The population growth rate in Hanoi in 1985 dropped to 1.7 percent from over 2 percent in the previous years. This is due to the family-planning movement throughout the city. The city has stepped up pre-natal services, gynecological treatments and especially contraception. The number of mothers with three children and more has decreased over the years. This year, Hanoi plans to contain the population-growth rate within 1.5 percent and the birth rate 2 percent. [Text] [Hanoi VNA in English 0742 GMT 12 Mar 86] /9599

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